

# MID-CONTINENT BANKER

*The Financial Magazine of the Mississippi Valley & Southwest*

SEPTEMBER, 1971



*C&S Public Affairs Department  
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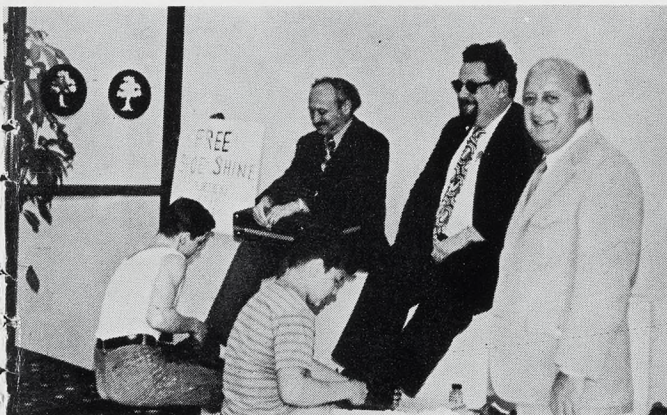
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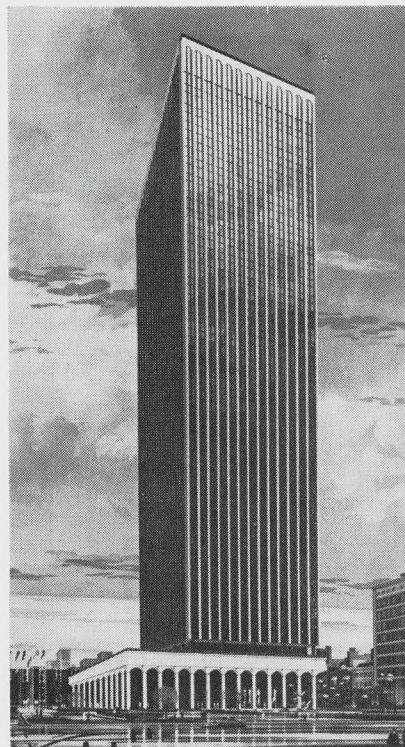
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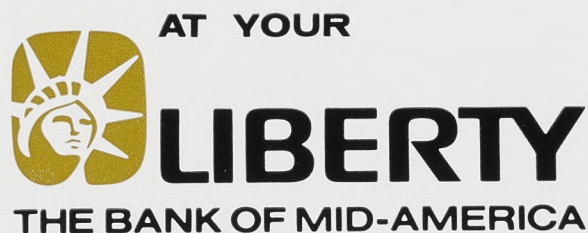
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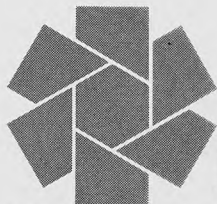
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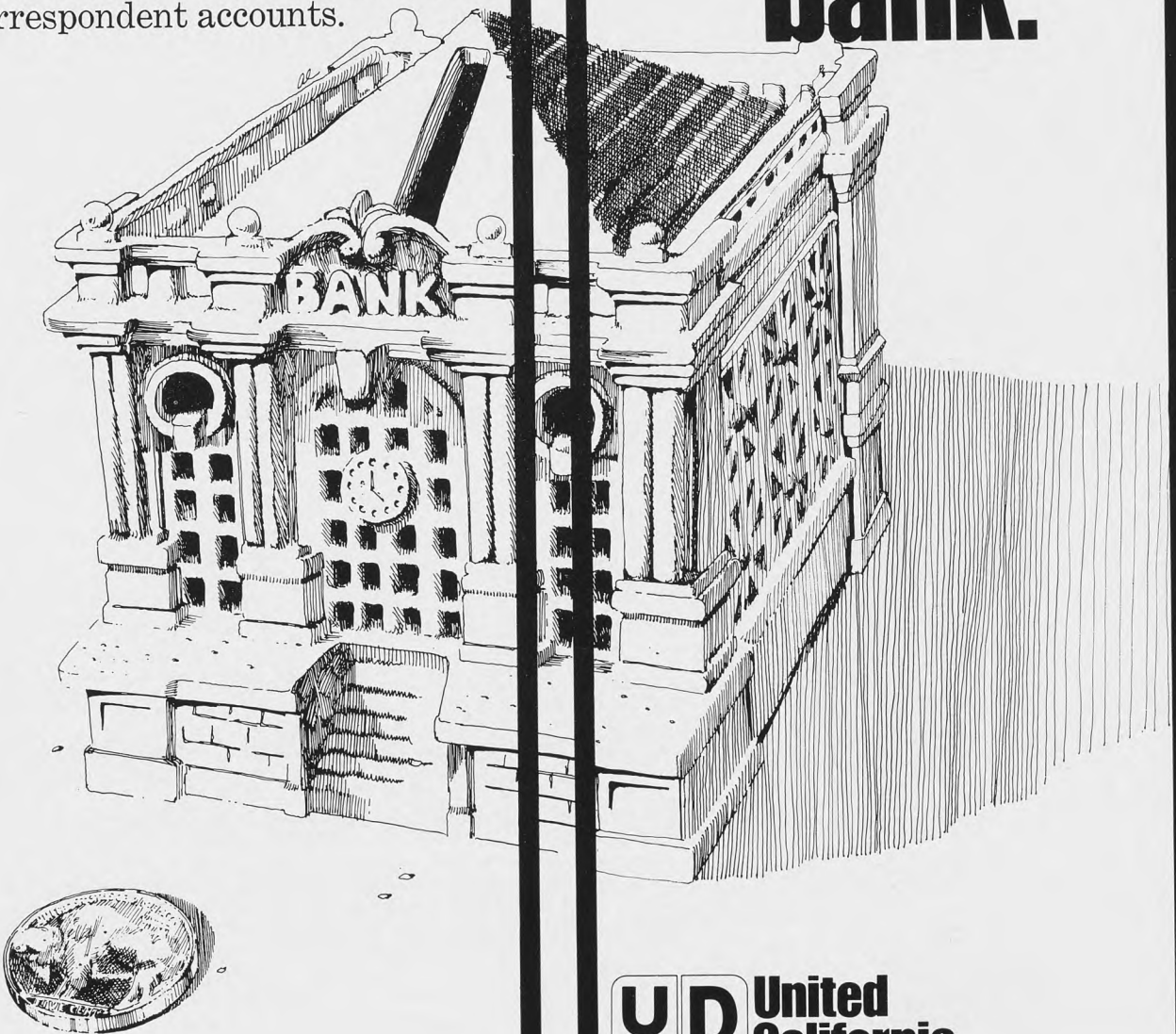


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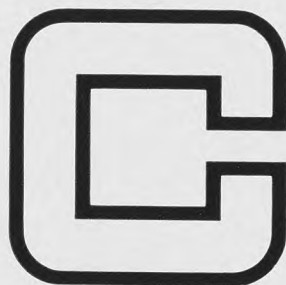
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MID-CONTINENT BANKER for September, 1971



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- Recommendations on banks' investment policies with regard to municipal bonds.
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- Evaluation of bank customers' securities when used as collateral.



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MID-CONTINENT BANKER for September, 1971



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### Consolidated Statement of Condition

As of June 30, 1971

#### Assets

Cash and Due from Banks . . . . .	\$ 3,145,847,000
Securities:	
U. S. Treasury and Federal Agencies . . . . .	746,224,000
State and Municipal Obligations . . . . .	843,856,000
Other . . . . .	48,898,000
Total Securities . . . . .	1,638,978,000
Loans . . . . .	6,135,068,000
Federal Funds Sold . . . . .	228,810,000
Premises and Equipment . . . . .	92,432,000
Customers' Liability on Acceptances . . . . .	230,719,000
Accrued Income Receivable . . . . .	80,891,000
Other Assets . . . . .	125,808,000
Total . . . . .	\$11,678,553,000

#### Liabilities

Deposits:	
Demand . . . . .	\$ 5,218,865,000
Savings . . . . .	678,991,000
Time . . . . .	2,226,167,000
Foreign Branches . . . . .	1,474,401,000
Total Deposits . . . . .	9,598,424,000
Federal Funds Purchased and Securities Sold	
Under Agreements to Repurchase . . . . .	722,219,000
Other Liabilities for Borrowed Money . . . . .	57,364,000
Acceptances Outstanding . . . . .	235,952,000
Accrued Taxes and Other Expenses . . . . .	67,929,000
Dividend Payable . . . . .	9,607,000
Other Liabilities . . . . .	81,418,000
Total Liabilities . . . . .	10,772,913,000

#### Reserve

Reserve for Possible Loan Losses . . . . .	114,223,000
--	-------------

#### Capital

5 $\frac{7}{8}$ % Capital Notes Due 1992 . . . . .	50,000,000
5% Convertible Capital Notes Due 1993 . . . . .	52,747,000
5 $\frac{1}{2}$ % Convertible Subordinated Debentures Due 1996 . . . . .	50,000,000
Total Capital Notes . . . . .	152,747,000
Stockholders' Equity:	
Common stock, \$12 Par Value	
Shares Authorized 33,000,000. Outstanding 13,343,018	
after deducting 116,900 shares held in the Treasury . . . . .	160,116,000
Capital Surplus . . . . .	302,742,000
Retained Earnings . . . . .	175,812,000
Total Stockholders' Equity . . . . .	638,670,000
Total Capital . . . . .	791,417,000
Total . . . . .	\$11,678,553,000

Assets carried at \$821,220,000 on June 30, 1971 were pledged to secure public funds and for other purposes required by law.

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MID-CONTINENT BANKER for September, 1971



## Bank Security Seminars Planned for November In Chicago, St. Louis

Two seminars on bank security entitled "Minimum-Risk Banking" are scheduled for November 1-2 and November 15-16. The seminars will be sponsored by Scarborough & Co., Chicago, in cooperation with Execudec, Inc., Wausau, Wis.

The November 1-2 seminar will be held at the Sheraton-Oak Brook Hotel in Oak Brook, Ill. The second seminar will be held at the Hilton Inn in St. Louis.

The seminars, according to a Scarborough spokesman, have been designed to provide an actual working knowledge of how to institute an effective, comprehensive bank security program, rather than to theorize on which bank security problems are important and why they should be looked into. Predetermined action in a crisis or emergency situation will be the seminars' underlying theme.

Topics to be discussed will include security procedures before, during and after civil disorders, bomb threats, kidnapping-extortion threats, holdups, robberies and other security areas of great concern to modern banking. Materials and educational supplies will be provided to aid in establishing a bank's security program and personnel security educational system.

Registration for each seminar will be limited. Brochures and copies of the seminar outline are available from Scarborough & Co., 33 North Dearborn, Chicago, Ill. 60602 or Execudec, Inc., P.O. Box 776, Wausau, Wis. 54401.

### Improved Services Is Object Of New 5th-3rd EDP System

CINCINNATI—Fifth Third Bank has installed a new computer system that will enable it to expand computer operations to provide improved services for more than 220,000 customers in the greater Cincinnati area.

The IBM System/370 Model 145 is said to be the first installation of the model in any bank in the nation.

Fifth Third will use the system to begin a central file for all bank customers to eliminate duplicate records in several departments and to provide more efficient service through better knowledge of customer needs.

The central file will be used to help in planning new services and modifying current ones as well as to give bank executives a better understanding of internal operations.

**MID-CONTINENT BANKER for September, 1971**

# MID-CONTINENT BANKER

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## THE BANKING SCENE



By Dr. Lewis E. Davids  
Hill Professor of Bank Management  
University of Missouri

# Banking Ombudsman

AN OMBUDSMAN, as most bankers know, is a consumer advocate. Many industrial companies, with varying degrees of success and even more varying titles, are now designating certain persons in their organizations to identify with consumers about company or industry problems or problems their customers believe exist.

For the last decade banking has considered itself to be dynamic and innovative, yet so far it has not even modestly espoused the idea of a banking ombudsman. This is a modest attempt to raise the issue and to suggest some possible approaches to the problem. No doubt, a few bankers will abhor the idea and others will find it challenging and worthy of further consideration. Basically, the idea is whether one subscribes to the old Latin precept of "caveat emptor" ("buyer beware") or whether one holds that the seller has the obligation to justify that his product or service performs as a reasonably prudent individual buyer might construe it to. Civilization indeed, in types and qualities of consumer goods and services, has progressed from the golden age of Pericles. There is a danger that the pendulum of "consumerism" may swing too far to the left. But certainly it cannot be fixed at the extreme right exemplified by those who would disregard today's basic social trends. These trends are shown by such things in banking legislation as Truth-in-Lending and much of the consumer-oriented legislation of the last decade. These concern truth-in-packaging, truth-in-handling, truth-in-advertising and simply whether a purchaser can believe that phrases such as "warranted" and "guaranteed" mean what they should. Do shrink-proof, fade-proof really mean just what normal people consider such terms to mean or do they mean what the manufacturers limitedly construe such terms to mean? Such definitions of warranties of a number of manufacturers actually attempt to reduce a manufacturer's lia-

bility exposure below that which the firm would have under "common law." Thus, such "warranties" attempt to take away rather than provide safeguards to the public.

Half a century ago, the insurance industry, according to the Armstrong Investigation, issued policies that "gave" the policy holder coverage in bold-face type, but in the policy fine print took much of the coverage away. As a result of that study and similar studies, most insurance policies today are required to list limitations and restrictions in at least as large type face as the granting clauses. Now credit guarantors must use bold-face type for interest rates and terms on credit instruments.

It can be debated whether such legislation as the Armstrong Investigation produced has really succeeded, but it did force a public disclosure not previously available. A disclosure comparable some half century later to the Truth-in-Lending disclosure that 1½% per month is actually 18% per annum. Or that a year's installment loan of, say, 6% on the original balance authorized and paid over a year in monthly payments produces a de facto annual interest rate of almost double that percentage amount. Yet many nonbankers tend to view the 1½% monthly or the 6% installment rate, when converted into single annual interest rates, as proof positive that bankers were and are amoral creatures, usurers and money changers needing to be driven from the temple, and additional legislative constraints are called for. The next step, now evident, is that the public becomes dissatisfied that such "truth" legislation has not materially changed things. In turn, this calls for some vehicle for communicating the general public's concern, for some forum to express their dissatisfaction. As a university teacher, I have heard more than I like the plaint of some young people that we should listen to them. I do listen and now often resent that repetitious statement, but I also know that

one cannot even slightly infer that one does not listen or turns off one's auditory facilities.

In a somewhat similar context, bankers may view a banking ombudsman for their own institutions and for their industry. It does not suffice to hold that everyone in a bank sincerely tries to adjust all customer complaints to the mutual satisfaction of both parties. The major philosophical point turns on the word *advocacy*. That is a person in a bank, *the ombudsman*, identifies with the consumer who feels wronged.

The ombudsman is charged by top management of a bank to represent the interest of the legitimate customer, to see that he or she is completely satisfied with the bank. In effect, the concept of ombudsman is an extension of the marketing concept, an area in which bankers generally concede they have lagged behind many other industries. The acceptance of the concept of ombudsman may not be too easy in an abstract sense. But it is even more difficult to espouse when put in a pragmatic context, such as relating it to the banker's cherished tradition of the doctrine of "holder in due course." Stated in blunt terms to bankers, the concept of "holder in due course" is a keystone of banking. It permits consumer and commercial paper to be negotiated, to be discounted, to be rediscounted, to equate the market, to help balance the force of supply and demand for funds. The concept of "holder in due course" as I interpret it is wonderful. It assumes reasonable postures. That is, the seller is ethical and the buyer will pay. In the vast majority of instances, this is so. But few bankers would contest that at times unsavory people, the blue suede-shoe salesman, the pseudo beauty salon, the body-beautiful exercise system, the shoddy building and repair operator, the fade-in-the-night dance studio, the shoddy home-modernization character can orig-

(Continued on page 59)



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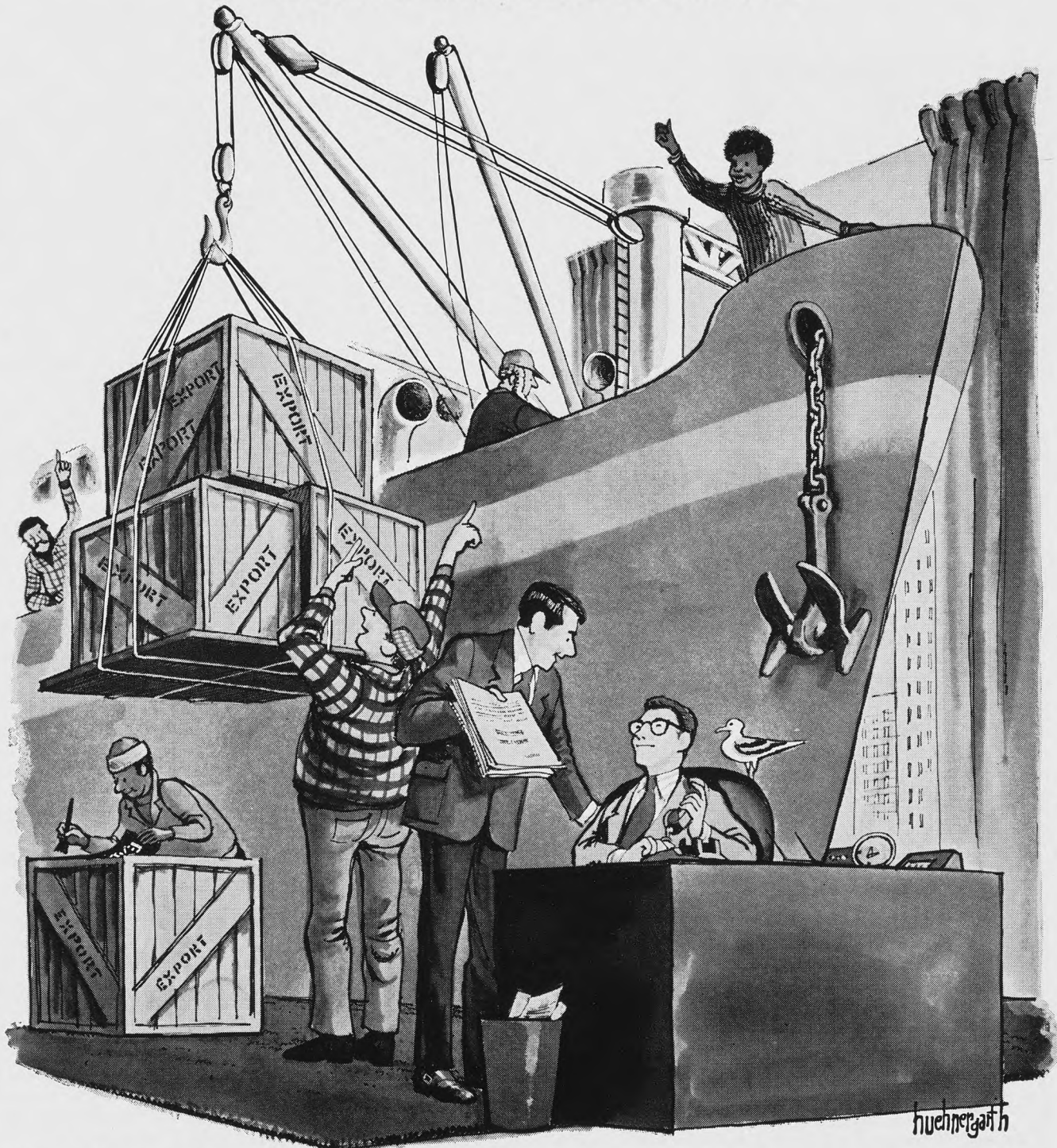
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MID-CONTINENT BANKER for September, 1971

Quote from one farm lender to another:

“They have all been excellent, I would say exceptional loans.”

(Carl Seip, Branch Manager, Toronto-Dominion Bank Guelph, Ontario)

## Agricultural News

### Financial Situation Paramount Factor When Analyzing Farm Loan Request

By T. E. HANKINS  
Vice President and  
Agricultural Representative  
Bank of Dixie  
Lake Providence, La.

IN ANALYZING an application for a crop production loan, the first thing we look at is the man and his financial situation. It could be summed up like this—the man and his land and what he has in hand.

The man should be honest and of excellent character. Many of you have heard it said many times that if a person sets out to beat you, he certainly can find a way to do it. And most bankers have experienced this at some time or another. We want the man to have the ability to farm, to plan, to be able to change whenever needed and at all times to be straightforward about

his farming operation. He must have the ability to repay the loan, and he must have the type of farm that will show progress in the future.

In our area, we have a tremendous problem because farmers obtain credit in many places. Split financing is something we watch very carefully because it has gotten our farmers into plenty of trouble. We have farmers who buy equipment through one, two or three equipment companies. They also make their crop loans with the bank and then carry some of their production expenses through the seed and feed stores until fall. The bank lends the farmer sufficient funds to make his crop and he in turn spends it for something else and then goes down to the seed store and buys his seed, fertilizer and cotton poison on credit until fall. This farmer is actually paying for two crop loans at the end of harvest.

Another thing that has gotten our farmers in a lot of trouble has been the refinancing of their land over a period of years. Until recently, the trend has been for land to increase in value. This was a blessing for our farmers because, as they needed additional credit, they could refinance their land and get out of trouble again. However, in 1969 this thing pretty well came to a head and the farmer now has his back against the wall. Land values are not increasing as they have in the past and he does not have the equity in his land that he had in the past. From now on the farmer will have to be more efficient in order to stay in the farming business.

We have four forms to fill out in making a crop production loan. The first is the application for an agricultural production loan. This form will specify the proposed crops, the land owned or rented, production for the past three years, a budget and other information as to the amount borrowed last year and the balance due on last year's crop loan. Our financial statement is a detailed picture of the applicant's position.

Of course, the front page is just like any other financial statement, but on the back we have space for more details. We show the real estate owned

(Continued on page 121)

## HELP FARMERS REPAY LOANS

Prompt repayment of the farm loans you make each year depends heavily on the farm management skills of the borrower. More than ever, the successful farmer needs — and searches for — new facts on agriculture, and how to make his operation more profitable.

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eggs, lumber and milo. We can also provide you with an excellent booklet on the relationship of hedging to banking. It's called "Price Protection and Loan Protection Through Hedging." It's free and you can order as many as you want by writing to us at the address below.

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# NEWS OF THE BANKING WORLD

• **First National**, Chicago, has announced four changes in its senior management. Clarke C. Stayman, senior vice president who has headed the personal banking department since 1968, was named head of real estate activities in the bank's parent company, First Chicago Corp.

Neil McKay, senior vice president and cashier, was named to succeed Mr. Stayman as head of the personal banking department and also will continue as cashier.

Rudolph E. Palluck, senior vice president who has headed the domestic banking section of the commercial banking department since 1968, was elected head of the administrative department.

Chauncey E. Schmidt, senior vice president in charge of the administrative department since May, 1970, is now head of the domestic banking section.

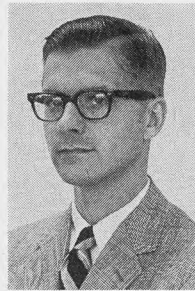
• **James P. Hickok Jr.** joined First National, St. Louis, last month as an assistant vice president in the lending division. He came from Continental Illinois National, Chicago, which he joined in 1966. He was an assistant cashier there and represented the bank in the south central and western states.

Mr. Hickok is the son of James P. Hickok, a veteran St. Louis banker who retired last March as chairman of the executive committee of First National. Mr. Hickok Sr. also had been president, chairman and chief executive officer of the bank during his career there.

• **James F. Leary** last month was elected senior vice president in charge of the national division of the National Bank of North America, New York City. He succeeded Daniel C. Greiner, vice president, who was given broad-



TAYLOR



STUBBE



PRENTIS



SPENCER

ened responsibilities in the bank's metropolitan division.

Mr. Leary had been assistant to the vice president-finance, C.I.T. Financial Corp. He joined that firm in 1959, going from New York City's Bankers Trust.

• **Robert P. Taylor**, vice president of Little Rock's Worthen Bank, and head of its new banking and business development division, also has been given responsibility for correspondent banking. Beverly J. Lambert III, vice president, who previously managed the correspondent banking division, has been made head of the investment division.

Donald C. Stubbe is manager of Worthen's correspondent bank department. He is an assistant vice president.

• **Missouri Bancshares, Inc.**, Kansas City-based registered bank holding company, has elected John B. Prentis executive vice president and director. He also was named an advisory director of City National, Kansas City, the holding company's anchor bank.

He will direct the operations of the three member banks in St. Louis—Arnold Savings, Bank of Ferguson and First Security Bank in Kirkwood. Mr. Prentis is chairman of Bank of Fergu-

son and president of Arnold Savings.

William A. Spencer was elected vice president and counsel of the holding company. He is a director, member of the executive committee and secretary of Bank of Jacomo, Blue Springs.

Shareholders of Missouri Bancshares were meeting at press time to vote on a proposal to change the name of the holding company to United Missouri Bancshares, Inc. A new corporate symbol has been designed and would be used by each member bank identifying it as "A United Missouri Bank." The proposed name change is subject to the approval of each bank's board and of the Commissioner of Finance.

• **James G. Badger Jr.** has joined the National Security Bank, Chicago, as vice chairman and a director. The bank also announced election of Thomas A. Reynolds Jr. to its board. He is a partner in the law firm, Winston, Strawn, Smith & Patterson, and chairman of the executive committee of the Atlanta Braves, Inc.

Before joining National Security, Mr. Badger spent 18 months as president of Metropolitan Bank and senior vice president of Amalgamated Trust, both of Chicago. Before that, he spent 28 years with First National, Chicago, beginning there while still in college. He became vice president in 1966, created



STAYMAN



SCHMIDT



PALLUCK



McKAY



HICKOK



LEARY



# A completely new "distinctive" check series by Deluxe

Extensively market researched among checking account customers, this exciting new check series will bring new impetus to your personalized check sales. All designs have also been carefully tested for microfilm and visual readability and should move smoothly through your operating departments.

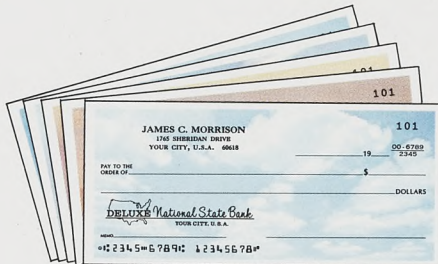
## Scenic Americana II

An all new, eight scene package of the enduring beauty of America.



## "EXPRESSIVE CHECKS"

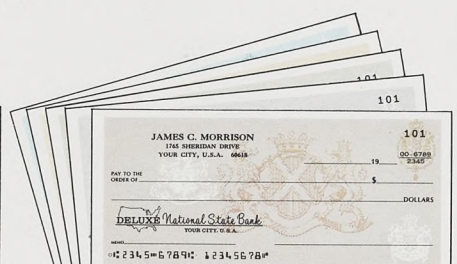
Three new packages, each with five different designs to suit your individual customer's personality and taste.



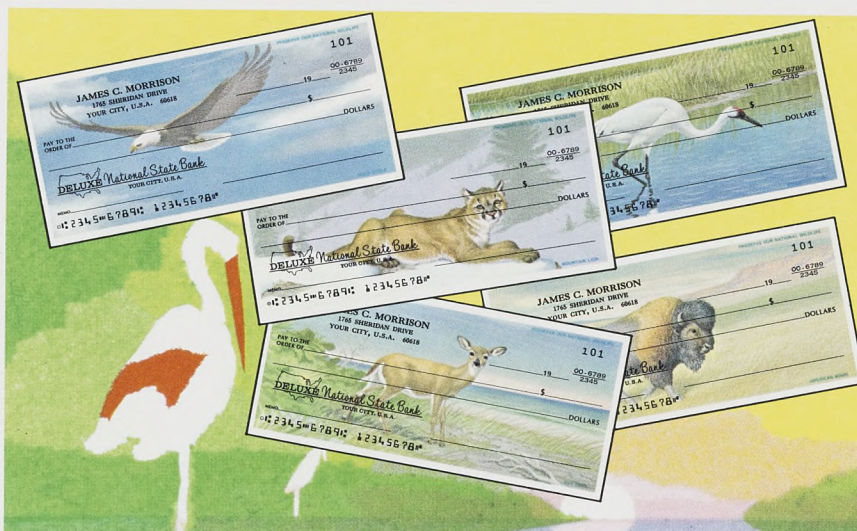
**SERENITY**—Featuring the peaceful beauty and serenity of American skies.



**SPRINGTIME**—The fresh, clean appeal of colorful flowers.



**HERITAGE**—Tasteful prestige and quality for personal financial transactions.



## National Wildlife Checks

This beautiful new series of five checks features endangered species of animals and birds in the hope that their use will help preserve what was once an abundant American wildlife.

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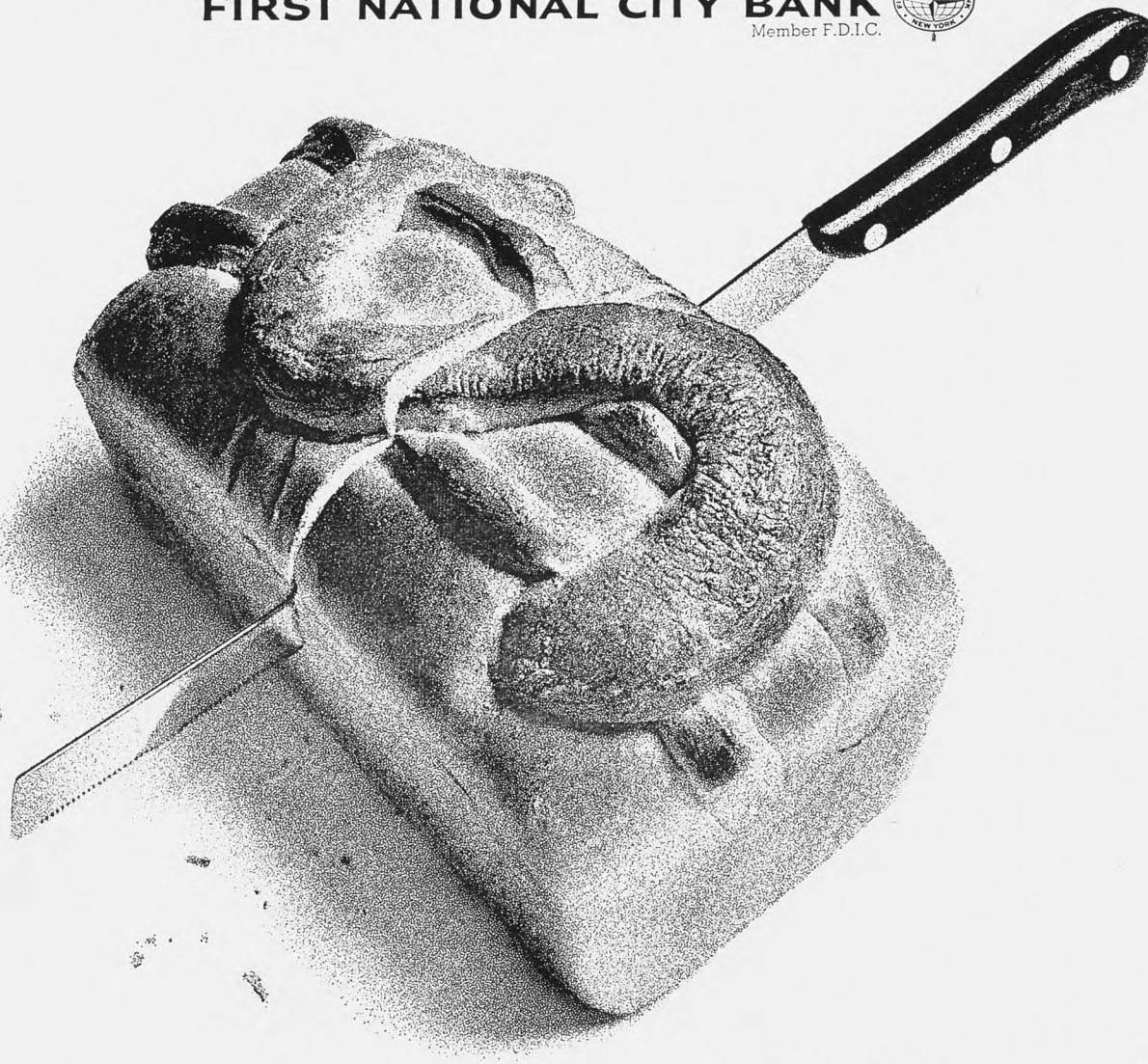


# Half a loan is better than none.

Here's a basic, bread-and-butter suggestion to pull in a loan you might otherwise have to pass up. Call on Citibank for fast, flexible participation. Our lending resources can extend your own, never disturbing the bank-customer relationships you now enjoy. We share the loan—you get the credit. Write our Correspondent Bank Department, 399 Park Avenue, New York, N.Y. 10022. Or call (212) 559-2411. It's good business, no matter how you slice it.

**FIRST NATIONAL CITY BANK**

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## News of the Banking World

the merger and acquisition department and headed it until leaving the bank in 1969.

- **William R. Boone** has joined Southern National, Houston, as senior vice president and head of the newly established finance and administration division. He formerly was vice president and comptroller of Deposit Guaranty National, Jackson, Miss.

The bank also announced a management realignment involving four other senior vice presidents. John H. Garner will be responsible for the special industries division of the commercial banking function and Robert B. Sale Jr. will head the general banking division. This new division includes correspondent banking services.

Ford Hubbard Jr. will have increased responsibilities in the development of new business for the bank. He is secretary of the boards and executive committees of both the bank and its parent, Southern National Corp. Mr. Hubbard also will continue in the commercial loan department and will have responsibility for personal banking services.

W. Temple Webber Jr. will head the newly formed marketing division.

- **Early F. Mitchell** retired August 31 as president, First National Holding Corp., and executive vice president of its principal subsidiary, First National Bank, both of Memphis. He has moved to Lynchburg, Va., where he is joining Fidelity National, parent company of Fidelity American Bankshares, Inc. In his new post, Mr. Mitchell is primarily responsible for bond and portfolio investments and is engaged in holding company activities.

Mr. Mitchell joined First of Memphis in 1934 after five years as deputy clerk of the Shelby County (Tenn.) Chancery Court. He has remained with that bank since except for a three-year stint in the U. S. Army during World



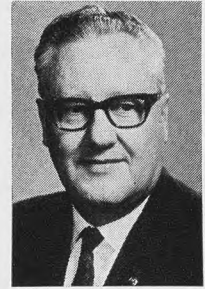
LEDEBUR



GOOD



BROWNE



DAVIS

War II. He was named executive vice president in charge of sales and investments in 1964, a director of the bank in 1966 and president of the holding firm in 1969.

- **F. O'Neil Griffin** was elected executive vice president of First City Bancorp., Houston, and senior vice president of First City National.

Before joining the bank, Mr. Griffin served as president and chief executive officer of Telecom Corp.

In other action at First City National, Walter L. Kopycinski, Paul W. Nugent and George L. Risien were promoted to vice presidents. Elected assistant vice presidents were Gerard T. Brown, Daniel B. Dowling, Gail B. Hamilton and Robert A. Frahm. New trust officers are Louis C. Houck and Jack M. Little III.

- **Linus V. Ledebur Jr.**, trust officer at Valley National, Phoenix, has been named director of the new planning and marketing section of the trust department.

The trust planning and marketing area consists of two departments—a trust financial planning division, headed by Robert B. Hunter, and a corporate trust marketing section, managed by Kelsey L. Moline.

Mr. Ledebur joined Valley National in 1963. Mr. Hunter has been with the bank since 1966 and Mr. Moline since 1968.

- **Bank of America**, San Francisco, has announced establishment of a new administrative position designed to further career opportunities for women within the bank.

Named personnel relations officers—women were Mrs. Betty J. Browne, San Francisco headquarters, and Miss Joan Good, Los Angeles.

A. W. Clausen, president, said the newly created positions are possibly unique in the banking industry. He said Mrs. Browne and Miss Good will have three primary objectives: to identify women within the bank who are best qualified to progress, to counsel women about available opportunities and to identify officer progression opportunities for all qualified women employees.

Mrs. Browne joined the bank 17 years ago and since 1964 has served as a lending officer at DeAnza Square Branch in Sunnyvale. Miss Good has been with the bank 18 years and previously was a regional training officer in southern California.

- **Roy W. Davis**, vice president, Continental Illinois National, Chicago, recently was elected vice president of Kiwanis International during the organization's 56th annual convention in San Francisco.

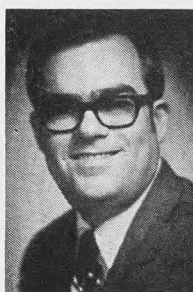
A member of the Kiwanis Club of Chicago, Mr. Davis previously served two two-year terms as a trustee of Kiwanis International.

- **Central National**, Chicago, has formed a financial advisory subsidiary to be known as Hess & Raymond, Inc.

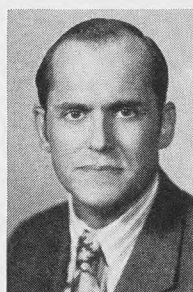
The company, under the direction of Kenneth H. Hess and Robert M. Raymond, will offer advisory service in the areas of financial planning, asset management, term debt financing, equity financing, market and product evaluation and mergers and acquisitions.



GARNER



BOONE



SALE



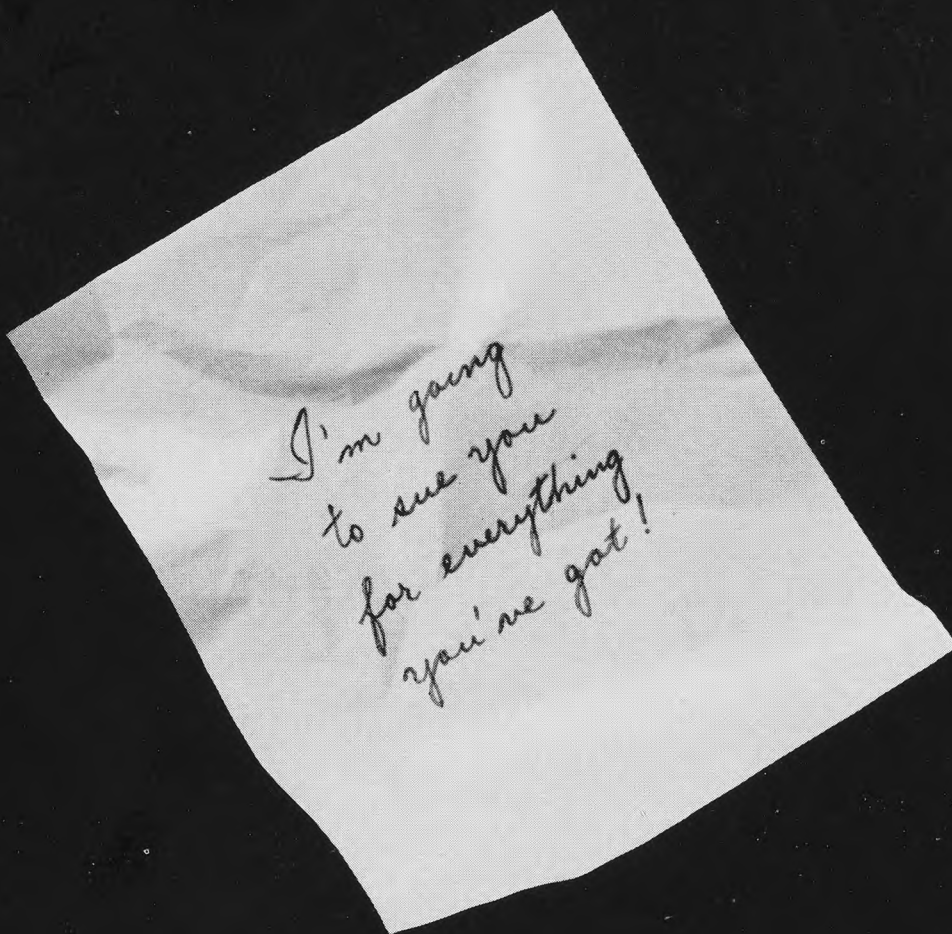
MITCHELL



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## PEOPLE

• THOMAS R. WILCOX resigned September 1 as vice chairman and a director of First National City Corp., New York City. He also gave up his posts as vice chairman of Citicorp's principal subsidiary, First National City Bank, as chairman, Advance Mortgage Corp., and as a member of Citibank's trust board. Mr. Wilcox plans to pursue other business interests.

In other action at Citibank, WILLIAM M. REES was elected a director. He is chairman and president, Chubb Corp.

• EDWIN S. JONES and S. EDGAR LAUTHER have been elected to the executive committee of Allied Bank International. Mr. Jones is chairman and chief executive officer, First National, St. Louis. Mr. Lauther is chairman, American Fletcher National, Indianapolis.

• JAMES R. BRUGGER and ELIOT C. CLARKE have been elected senior vice presidents of Morgan Guaranty Trust, New York City. Mr. Brugger heads the public relations department, and Mr. Clarke is in the trust and investment division. Both were vice presidents.

• ROBERT C. HOLLAND last month was named to the newly created post of executive director of the Federal Reserve System. In this post, he will coordinate the board's overall planning and direct day-to-day administrative affairs. Mr. Holland was secretary to the Federal Reserve Board. His successor there is TYNAN SMITH, formerly assistant director of the FRB's division of supervision and regulation.

• LELAND S. PRUSSIA JR. has been named senior vice president and head of the investment securities division at Bank of America, San Francisco. With BofA 15 years, Mr. Prussia was vice president and manager of the division.

Also at BofA, WINSTON L. BAILEY has been made assistant to the president. He was succeeded as head of personnel administration in the bank's San Francisco headquarters by JOSEPH A. CARRERA, senior vice president.

## Stringent Disclosure Rules Unveiled

Comptroller William B. Camp last month announced more stringent disclosure rules for national banks than the ones under which they had been operating. The new rules provide the same disclosure tests as those required by the FDIC and Federal Reserve Board. Like the rules imposed by those two agencies, the Comptroller's will apply to all banks with 500 or more stockholders.

The new rules will require that:

Banks whose securities previously were registered must re-register their issues on a new reporting form by April 30, 1972.

Banks file current reports following the registration filing instead of a specific effective date.

See that all persons previously required to file beneficial ownership statements file new statements reflecting ownership status as of the end of this October.

Under the new rules, proxy regulations will be applicable to all shareholders' meetings scheduled on and after October 1, 1971.

## Bank's Life Insurance Plan Vetoed

An attempt by New York City's First National City Bank to sell life insurance to its savings depositors was ruled illegal last month by a state court judge in Albany. According to Judge Edward S. Conway, the state's insurance superintendent exceeded his powers when he approved the plan, called Savings Plus Life Insurance. The judge said the plan violates state insurance laws.

Under the plan, underwritten by Connecticut General Life Insurance Co., savings depositors whose accounts earn at least \$2.50 quarterly interest were able to buy up to \$15,000 of term life insurance, with premium payments deducted from the interest.

## Checkless Society Comes Closer

The way was cleared last month for businesses and individuals to make payments of \$1,000 or more anywhere in the nation without writing checks. The Federal Reserve Board adopted new rules opening its recently expanded nationwide communications network for use, without charge, for wire transfers of \$1,000 or more.

The move gives depositors and Fed-member banks direct access through these banks to the communications network. The new rules envision that depositors, chiefly businessmen and governments, may use the system to make quick payments by wire over the network to bank accounts of any other depositors in the country.

The FRB said that depositors in nonmember banks also may arrange such wire-transfer payments, but only when the payments are made through Fed-member banks. Although the Fed would not charge for use of the wire network, the board indicated that the banks involved might levy a charge.

## Fannie Mae-Type College Loans

Legislation now moving through Congress would create a federally sponsored Student Loan Marketing Association to buy up government-guaranteed student loans from banks or other original lenders. Purposes would be to make more funds available for financing college educations and induce banks to initiate more loans by assuring them of a secondary market for the paper.

The proposed association would be patterned after the Federal National Mortgage Association (Fannie Mae).



Massive industrialization puts money into peoples' pockets as it destroys the very environment in which they live.

The people of 23 Mississippi counties think this type of progress is not worth it! The people are not against "progress"; they do favor "progress with planning".

More than seven years ago the Pearl River Basin Development District was formed to make recommendations for proper utilization of this water resource. The comprehensive development plan is now complete. More than \$200,000,000 in "resource enhancement" projects are contained within the early action program.

Three large, multiple-purpose reservoirs are proposed to control the waters of the Pearl River. Likewise, 30 upstream watershed projects have been deemed feasible for construction during the next decade. Recreation facilities are planned at 82 locations along a 302-mile-long pleasure boatway.

Looking even further into the future, several other projects will be phased into this "living" environmental development plan as they become economically feasible.

Through careful planning and innovative action, Mississippians are determined to step proudly into the future in a manner that will not jeopardize the abundant natural resources of the communities in which we live.

## First National Bank

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BRANCHES Amite County Bank, Gloster/Liberty;

Commercial National Bank, Greenville/Leland;

First National Bank, McComb;

The Bank of Greenwood, Greenwood;

Tylertown Bank, Tylertown



### Is it worth it?



## CORPORATE NEWS ROUNDUP

• **Mortgage Guaranty Insurance Corp.** Earl E. Holmes of Kansas City has been appointed regional director of development in western Missouri for Mortgage Guaranty Insurance Corp., headquartered in Milwaukee.

He replaces Richard A. Sopp of St. Louis and Burns W. Davis of Little Rock, who have been assigned to serve institutional lenders in eastern Missouri and Oklahoma, respectively.

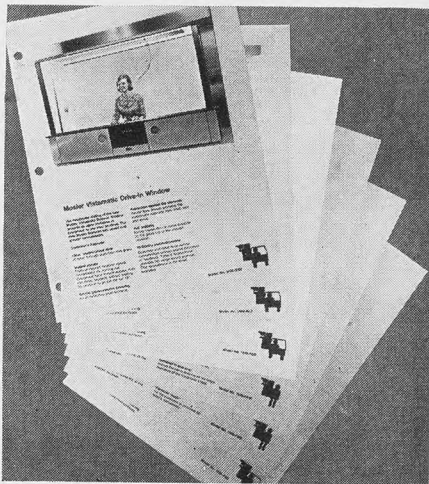
Mr. Holmes also will offer lenders in western Missouri financial guaranty programs of two wholly owned subsidiaries of MGIC Investment Corp., Milwaukee-based holding company. Commercial mortgage and lease guaranty insurance are offered through Commercial Loan Insurance Corp. and mobile home credit insurance and directors' and officers' liability insurance are made available through New York Guaranty Corp.

• **Abbot & Associates, Inc.** Abbot & Associates, Inc., Wichita, Kan., recently was formed as a management services firm placing special emphasis on money, manpower and marketing management.

Three full-time consultants of the firm are R. G. Langenwalter, R. F. Forwalder and T. A. Blossom.

Mr. Langenwalter's background is in banking and finance and he will handle

### Mosler Vistamatic Windows



Mosler, Hamilton, O., has introduced a collection of six new drive-in, walk-up Vistamatic windows. Full-color brochures detail latest customer features and teller conveniences, including writing platform, pen and deposit-withdrawal racks for walk-up customers, call button, hi-fidelity communications and non-glare glass windows.

MID-CONTINENT BANKER for September, 1971

## News of Firms Serving Banks

money management. Mr. Forwalder, whose experience is in the areas of personnel, industrial relations and organization structure, will be responsible for manpower situations. Mr. Blossom will be responsible for solving organizational marketing problems.

• **Insured Credit Services, Inc.** Leiland C. "Tad" McCallum, 61, died of a heart attack July 14. He had been president of Insured Credit Services, Inc., Chicago, since 1969. He joined the firm in 1958.



McCALLUM

Mr. McCallum, before joining Insured Credit Services, was assistant commissioner, Federal Housing Administration, Washington, D. C. In this post, he was responsible for the supervision and direction of FHA's Title I Home Improvement Loan Program.

Mr. McCallum's entire business life was spent helping banks throughout the country develop home improvement financing operations. According to Arthur J. Frentz, chairman, Insured Credit Services, Mr. McCallum was instrumental in devising and perfecting many of the operating and control procedures followed today by successful lenders.

• **Chicago Mercantile Exchange.** Formation of a five-man advisory council to the Chicago Mercantile Exchange board of governors "to improve communications with the public" has been announced by Leo Melamed, exchange board chairman.

Members of the advisory council are: Dr. Phillip Alampi, chairman, National Egg Pricing System study committee and secretary of agriculture of New Jersey; Dr. R. L. Kohls, dean, Purdue University School of Agriculture; Lane Palmer, editor, *Farm Journal* magazine; Charles B. Shuman, recently retired president of the American Farm Bureau Federation; and Dr. Michael Sumichrast, chief economist, National Association of Home Builders.

Appointed to two-year terms, advisory council members will meet periodically with the CME board of governors and with specific committees.

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# Bank Operations

## Training Tellers to Spot Bad Checks Must Be Bankers' Never-Ending Task

DESPITE the growing sophistication of bank customers and the never-ending battle banks wage against bad-check artists, the latter continue to ply their trade and very successfully, too. However, no reliable source of statistics is available because banks absorb a "deductible" portion of such losses, said Scarborough & Co., Chicago. The bank insurance firm pointed out that this deductible portion grows larger each year, and it's generally believed there's a significant increase in bad-check losses in both number and size.

Scarborough believes there are some "organized" professionals taking part in national operations, also that there is a noticeable increase in blank checks being stolen through burglary and then filled out and forged.

There is no single root of the problem, continued Scarborough. There is a considerable amount of activity in "new-account," "split-deposit" and "multiple-branch" check swindles. Then, too, according to Scarborough, banks, as a rule, are a little weak on book-keeping processing of uncollected funds.

A prolific source of forged endorsements comes from checks stolen from the mails, said Scarborough. These include social security, annuity and tax-refund checks from the U. S. government and welfare checks from states and counties.

The mail-theft problem is greater in those areas where there is substandard housing with little, if any, protection of mail boxes, said Scarborough.

It's taken for granted that bank employees—especially tellers—are taught how to spot bad checks. However, because the persons passing such checks often are extremely skillful at altering these instruments, even trained eyes may not catch these alterations. Therefore, MID-CONTINENT BANKER editors would like to spotlight methods of reducing losses due to bad checks. As Scarborough points out, *teller alertness* and *vigilance* are the most significant factors in reducing forgery losses.

A particularly good source of suggestions on reducing bad-check losses is an article reprinted by *Reader's Digest* in its December, 1962, issue, from the

September, 1962, issue of *The Rotarian*, official publication of Rotary International.

Entitled "Be Careful! That Check May Be Loaded!," the article described how fraud artists—"scratchers" and "paperhangers"—can alter checks. The article also gave tips on how to protect one's self when writing and cashing checks.

For instance, according to the article, a \$15 check made out to The Toggery was stolen by a person who altered it so that the payee became Theo Foggerty and the amount was raised to \$55. Another example was a check made out simply to Davis Co. for \$3, which easily became a check made out to David Cox for \$30. Both checks were convincingly changed because the payers wrote their checks carelessly. As the article said, most people write so that numbers and letters can be changed. Through actual illustrations, the article showed how this is done.

The article listed some suggestions for both check writers and check passers so that bad-check artists can be foiled. For check writers, the article suggested:

Tightly fill every line and space on a check so that nothing can be added. Begin writing at the extreme left of every line, and fill in blank spaces by drawing lines through them.

Slant the "and" after the dollar sum so that it would be difficult to incorporate it into another word.

Never use a pencil; always use pen and ink. If your handwriting is not extremely legible, print-write your checks. If the check is intended for a business concern, spell out Company, Corporation or Incorporated. The name "Curtis Co.," for example, is too easily changed to "Curtis Cornell."

Reconcile your bank statement the day you receive it to make sure that no checks have been tampered with.

Guard your canceled checks carefully; they bear your signature, which any forger will prize.

For check cashers, which, of course, include bank tellers, the article culled the following suggestions from the ABA and other sources:

1. Don't be afraid to ask questions

about a check and its passer. Above all, don't let a stranger hurry you.

2. Never cash a check that shows any sign of alteration.

3. Always demand that a check be endorsed in your presence. If it is already endorsed, make the endorser sign again and then compare the writing.

4. Make sure that a check is drawn by an existing concern or individual on an actual bank.

5. Be just as wary of certified checks or cashier's checks as of ordinary ones.

6. Never cash checks for juveniles.

7. Never endorse a check for anyone you don't know to be reliable.

8. If you are a merchant, beware of any unknown customer who offers you a check for more than the amount of his or her purchase.

9. If a bank book is offered as identification, phone the bank named.

10. Know your endorser.

Bankers who want to order reprints of this article and distribute them to their employees and customers should write Reprint Editor, *Reader's Digest*, Pleasantville, N. Y. 10570.

The Post Office Department also has some tips for cashing checks and has put them together in a pamphlet, which banks also may want to distribute to their retailer customers. Some of the precautions listed also can be applied to bank tellers. The Post Office's nine suggestions are:

1. Before you consider cashing any check, have it endorsed in your presence, even though it may already have been endorsed. The possibility of financial loss to you will be immediately reduced if you follow this rule, since many thieves will hesitate to commit the crime of forgery before a witness.

2. Hold the check away from the passer and ask him to spell his name and give his address and purpose for which the check was drawn. If he spells his name incorrectly or cannot recall the address, do not cash the check. Sometimes a notation is printed on the check showing the purpose for which it is drawn, such as tax refund, veteran's compensation, old-age assistance, etc.

3. If the passer is recommended by someone known to you, also have that person endorse the check. If the check is not honored by your bank, the signature of the person known to you will make him financially responsible and will prevent any denial on his part that he recommended the passer.

4. Do not accept a check from a person who is obviously of a different national extraction than that implied by the name of the payer. Frequently, the payee's name will indicate his probable race or national extraction.

(Continued on page 68)





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MID-CONTINENT BANKER for September, 1971

# Installment Lending

## Incompetent Contractor 'Danger Signals' Can Be Detected Before It's Too Late

A LARGE swimming pool contractor in the Southwest folded recently, leaving thousands of dollars worth of pools unfinished. Estimates of the number of pools still to be completed run as high as 45. An investigation of complaints about the construction of pools previously completed by the same contractor is also underway, and officials have found evidence of defects in plumbing and electrical grounding. People report that fences have been knocked down and utility lines cut in the process of pool installation.

The defunct dealer was quoted as having said his business collapsed because of undercapitalization and "spending more than I took in." It should be noted that this contractor was not a member of local trade associations, did not take out building permits and advertised his pools for sale at an unrealistically low price—all tip-

offs to a potential problem. Furthermore, the "bait and switch" sales technique is said to have been used extensively in this dealer company's operation, and the principal was on probation for passing worthless checks at the time of his business failure.

The following common sense steps in handling dealer operations are suggested by Insured Credit Services, Inc., Chicago:

- Before discounting contracts from any dealer, check him out thoroughly as to reputation, financial responsibility and ability to perform work. Obtain a trade report on the company and order a local credit report on its principals. Check previous discounting sources to learn of past difficulties. Get current financial statements on the company and update them at regular intervals. Check with the local Better Business Bureau for reports of complaints. These

reports can provide a "danger signals" warning of potential trouble.

- Maintain a systematic inspection and telephone spot-check procedure. Physical inspections and borrower interviews will usually uncover improper sales methods, cash kick-backs, unfinished or faulty work and other irregularities that might exist.

- Maintain a dealer control record on such items as purchases, rejects, delinquency, losses, complaints and adjustments. Watch the trends and take immediate action upon the development of any adverse trends.

It should be borne in mind that dealer irregularities are no more prevalent in the home improvement field than in the automobile, mobile home or appliance fields. Proper controls and the prudent selectivity of business sources are necessary ingredients to a successful operation in any of these areas. ••

### Financial Planning System Announced by Three Banks

Liberty National Corp., Oklahoma City, whose principal subsidiary is Liberty National Bank, is joining an investment partnership with Equitable Trust Co., Baltimore; Commerce Union, Nashville; and Olson Research Associates, Inc., College Park, Md. The purpose of the venture is to market and refine a financial planning system.

The system uses a historical data base for projecting future earnings in accordance with assumptions made concerning interest rates, deposits, loans and other assets. By changing the mix of assets and liabilities, through use of a computer, bank management can project the most profitable routes to follow.

Liberty National will work with Olson Research in developing a similar financial planning system for smaller banks.

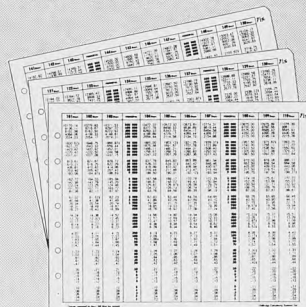
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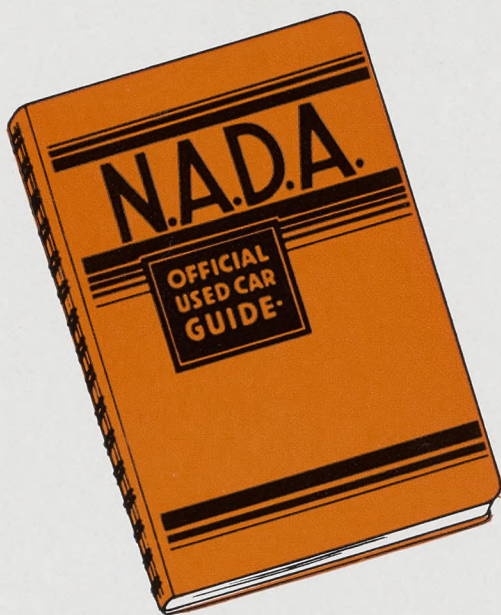
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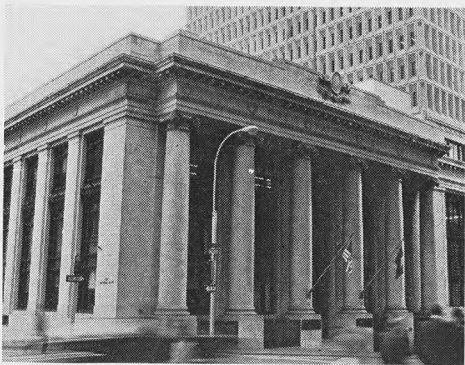
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**MID-CONTINENT BANKER** for September, 1971



# The Four-Day Week

*Banks That Have Adopted This Revolutionary New Idea Seek Following Objectives: Improved Customer Service, Employee Retention, Increased Staff Productivity*

WHAT IS the hottest new idea in banking? Is it computerized operations? Career apparel? Credit cards? Money machines? Good earth ecological bonds? Electronic training devices? Increased emphasis on premium programs? On incentive programs?

If you chose any of these, MID-CONTINENT BANKER editors think you may have chosen incorrectly. Based on a spot survey of several banks around the country, the editors see the four-day week as the hottest new idea in banking today.

Basis for this assessment is the fact that close to a score of banks scattered from Boston to Santa Fe have instituted a four-day week—several have gone to a three-day week for a single operation—and all of these banks are being flooded with inquiries from other banks asking: “How do you do it? How well does it work?” For example, John H. Guluzian, president, Home Savings Bank, Boston, said he has received more than 250 inquiries from other banks asking about his bank’s four-day week.

Officers of three banks to whom we talked said they had received so many inquiries that, rather than write several hundred letters, they had prepared a “public relations” release detailing the process, the problems, the advantages and disadvantages discovered.

Significant, too, is the fact that the BAI publication, *Journal of Bank Re-*

By **ARTHUR C. NORRIS**  
Contributing Editor

*search*, in its Autumn, 1970, issue published an in-depth study of the four-day week. The study was prepared by Mrs. Riva Poor, a Cambridge, Mass., management consultant and publisher, who has written a book, “Four Days, Forty Hours.” Obviously, at the time of the BAI report, her study was already some months old because, at the time she made her study, Mrs. Poor was able to find only two banks that were using the four-day week.

Since then the number of banks utilizing the new concept has increased several fold. Acceptance of the idea has now reached the stage where it hardly can be described as a trend, but certainly as a drift toward a shorter work week for employees. Employee pressure is a definite factor. Many village banks in “Saturday towns” that used to be open six days a week now close at noon one day a week.

Now the mythical “conservative banker” is going to react by saying: “Oh, it’s just a fad. The four-day week will never be widespread; it isn’t practical except for certain individual operations.”

Well, let’s consider the history of what might be termed the “working hours trend.”

A hundred years ago, as Mrs. Poor

pointed out in her BAI study, the standard work week was six days of 12 hours each for a total of 72 hours. Around 1900, union agitation succeeded in reducing the work-week to six nine-hour days or 54 hours. In 1908 a New England garment manufacturer instituted what is believed to be the first five-day week so that his employees could observe both the Jewish and the Christian sabbaths.

At the time the Great Depression struck, only 5% of the U. S. work force was on a five-day week. Virtually the only employees working only 40 hours were blue collar workers. Office employees commonly worked 5½ days for a total of 44 hours, while in stores the six-day, 48-hour week was standard. And overtime was paid only when such payment was stipulated in a union contract. When this reporter started working in 1929 on the day staff of a morning newspaper, he was expected to work as much overtime as was necessary to get the newspaper out and was given 50 cents (and later 75 cents) for supper. Finally in 1938 the 40-hour week was established when President Franklin D. Roosevelt signed the Fair Labor Standards Act of that year.

When the 40-hour week was first suggested, a spokesman for the National Association of Manufacturers said it would never catch on “because business could not operate profitably on shorter hours.” Today, when the four-

## Four-Day Week (Continued)

day week is broached, the minds of employers are more open. It is significant that Chrysler Corp. and the United Auto Workers Union have established a joint committee that has held meetings to explore the feasibility of the four-day week.

No two banks so far have gone to a shorter work week for precisely the same reason nor have any two banks introduced programs that are precisely alike. Nonetheless, most seem to have the same eventual objectives in view: increased production, improved service to the customer and a happier shop that will result in increased employee retention.

So far as we can determine, the pioneer among banks to adopt a version of the four-day week was the Bank of New York. For close to two years, this bank has been using the four-day program, but only in its fiduciary data control department. The program was instituted as a means of meeting work loads. Two crews work four days each so that their days overlap to provide additional help when needed. The bank reported that the department "gets on the computer earlier," because work moves faster. Overtime has been reduced and the entire department has a happier atmosphere more conducive to production. Undoubtedly, this latter attitude is aided materially by the fact that on any day when the department gets its work done early, employees are permitted to go home.

In September, 1970, the Home Savings Bank, Boston, started the four-day week. The reason?

"We are located," John H. Guluzian, president, said, "right in downtown Boston. We have only one office and no drive-in or walk-up windows. Directly across the street a 40-story office building is being built. In this building 16 floors are going to be occupied by an insurance company employing something like 7,500 people. Naturally, we want their business and even though it will be about a year before the building is completed, we decided to start getting ready to attract and handle this influx of business."

Home Savings' answer to the problem was to expand its service to customers. Formerly the bank was open only from 9 to 3. Now it is open from 8:30 to 5:30 five days a week. These longer banking hours, when suggested, immediately propounded a problem: how to staff the longer hours?

Without telling employees about the program the bank was contemplating,

the bank prepared a questionnaire to determine what hours and days employees would like to work. Answers to the questionnaire were obtained by having employees fill in the prepared form and deposit their "votes" in a ballot box. After the results of the questionnaire had been collated, employees were told what the majority had voted for. The result as worked out goes this way:

Each employee works from 8:30 to 5:30 four days a week, but—with lunch time and coffee breaks—actual total hours work out at 34. The bank is departmentalized with approximately 100 employees in each group. Each day approximately 20% of a department's force is off. Days off are rotated on the basis of seniority so that every fifth week an employee has a four-day weekend with Friday off in one week and Monday off the next week.

Home Savings offered a footnote to its four-day week which, so far as we can learn, is unique. The bank offers a premium for showing up for work every day. Each employee starts off with an annual attendance bonus of \$240. Each day that he fails to show up \$20 is deducted from this bonus. Absenteeism is down more than 50%, Mr. Guluzian reported.

He also said that employees are enthusiastic about the new program and that customers have reacted favorably. Activity after 3 p.m. is good, as many take advantage of the longer hours, and the customer load between 11 a.m. and 1 p.m. has leveled off.

An unusual approach to four-day was that of the Merchants Park Bank, Houston. This bank is less than a year old and Gary Falke, cashier, reported, its executives were searching for some inducement that would give the bank a competitive advantage. The program worked out just happened to result in a *three-day* week for six employees.

The bank's drive-in, walk-up windows are open from 7 to 7, six days a week. These windows are handled by only six employees, each of whom works 12 hours a day (less lunch time and coffee breaks) three days a week and is paid on the basis of a 36-hour week, with overtime pay after eight hours in any one day.

The bank's primary purpose, of course, was to attract new customers. How far was this objective accomplished? In the six months since the bank has offered 72-hour-a-week service, deposits have doubled—from \$3,000,000 to \$6,000,000 and the

bank's latest report indicated that 60% to 75% of new individual accounts resulted directly from extended banking hours.

Employees working three-day weeks are enthusiastic about their new-found free time. Of the six, five are women and the sixth is a young man who is attending the University of Houston full time.

Not only has the new program virtually eliminated turnover at the drive-in windows, Mr. Falke reported, but numerous applications for three-day jobs have been received.

On the other hand, there are disadvantages, Mr. Falke said. Because of fatigue, more errors are made, many of which can only be described as silly. And when a three-day employee phones in ill, a genuine problem results. The three-day people just don't want to come in for a fourth day, and this leaves a comparatively small bank undermanned.

Another bank to pioneer four-day is Manufacturers Hanover Trust, New York City. The novel program was instituted in the payroll department because work comes in peaks. Much of the work is received on Monday for delivery on Friday. By working an 8½-hour day, a 35-hour week is maintained.

A few weeks ago, the bank expanded its shorter work week to include the computer department. Here a three-day week is used. Employees were grouped into four crews, each of which works three days, starting at 7:45 a.m. and quitting at 8:10 p.m. for the day crews while the night crews begin at 7:45 p.m. and quit at 8:10 a.m. This provides shifts of 12 hours and 25 minutes, less lunch time and coffee breaks, and gives a 25-minute overlap while one shift is taking over the work of the other. The computer department works six days a week with no coverage from 8:10 p.m. Saturday to 7:45 p.m. Sunday. Plans are to rotate shifts semianually.

Executives and supervisors discussed the four-day and three-day programs with employees before the program was started. Employee reaction was excellent. Personnel policies allow other departments to adopt the shorter work week when it is feasible.

Farmers & Merchants National, Winchester, Va., started a four-day week as a means of meeting customer demand for longer banking hours. This request was voiced in responses to a questionnaire mailed by the bank to customers asking how the bank could improve service.

"The new work plan was adopted so that employees would not be forced to work longer hours," Miles R. Orndorff Jr., marketing director, explained.



"Although our employees did not vote on the program, they are enthusiastic about it and we have received many favorable comments from customers about the longer hours."

This bank has 10 branches in addition to its main office. Before four-day, each was open from 9 a.m. to 2 p.m. Monday through Friday and on Friday evenings from 4:30 to 7:30. Under the new schedule, evening hours from 3 to 6 have been added at one location and Saturday hours from 9 to noon have been added at five locations.

Included in the new schedule are 27 tellers who staff nine offices, with the number at each office varying from two to five. To make the plan feasible, it was necessary to hire eight part-time tellers who work two days a week. Every other week each full-time teller works a Saturday morning. On alternate weeks each teller works one evening at the one office open evenings. The result is that each full-time teller works a four-day week, then a 4½-day week, and so on, alternately. On days of lighter activity (Wednesdays and Thursdays), offices that normally would have four tellers have only three.

City Savings, Pittsfield, Mass., started four-day just last May "in an effort to remain competitive (for employees) in an economy which is dominated by five General Electric Co. plants paying an hourly wage of approximately \$4."

"Despite the fact that we have a very broad fringe-benefit program," said Luke S. Hayden, president, "there had been pressure from our employees to step up the general salary level at this bank."

Exploring this possibility, bank executives foresaw the obvious chain reaction that would result as salary increases ran up the line through supervisory personnel. They decided it would be impossible for the bank to absorb the cost of such increases in labor costs in one fiscal year. Turning to other avenues in order to make working at City Savings more attractive, they decided on the four-day week.

At a general staff meeting, the advantages of four-day—50% more leisure time for employees and longer banking hours for customers—and its disadvantages—more working hours per day and loss of holidays because a holiday would become the employee's day off—were explained to employ-

ees. Each was then given a ballot that was to be returned unsigned two days later. Voting to try four-day were 83% of the employees.

Days off are rotated so that every fifth weekend is four days long. Main Office hours are 8:15 to 5:45 four days a week and 8:15 to 8:15 Thursday. With lunch time and coffee breaks, employees work three eight-hour days and one 10-hour day for a total of 34 hours. At branch offices, this time is extended to 36 hours by evening hours.

"We learned," said Mr. Hayden, "that initially the four-day week does not appeal to women over 30. Four of the older women on our staff resigned upon implementation of the program. In only one of these cases was there a true family conflict which made the resignation necessary. On the other hand, as the over-30 women experienced the four-day week as a result of arriving at the fifth week and a four-day weekend, their attitude seemed to change and at this point all of our employees seemed to like the program. Customer use of our facilities is stepping up markedly as a result of longer hours, although this result did not

*(Continued on next page)*

## St. Louis-Area HC Gives Employees Choice Between Four and Five-Day Week

**N**EWEST CONVERT to the four-day week in banking is the group controlled by Mark Twain Bancshares, Inc., a holding company based in Clayton, Mo. This HC includes Mark Twain South County Bank, Mehlville; Mark Twain State Bank, Bridgeton, and Mark Twain Northland Bank, Jennings. All four towns are St. Louis suburbs.

The Mark Twain banks went to the four-day week August 2, but approached the new concept from an angle entirely unlike that of any other bank we contacted. In the words of the HC's press release, employees were "given the opportunity" to go on a four-day week. The concept was introduced "in connection with a major personnel development program designed to maximize employee flexibility, cross training and promotion option."

As Adam Aronson, chairman of the HC and of the South County and Northland banks, expressed it:

"A good man can work for 25

years in installment loans and at the end of 25 years all he knows is installment loans. Our purpose in starting the four-day week is to have one day a week when a department head must turn his department over to an assistant and work in another department. Our purpose is to train our department executives to be bankers instead of just department managers. Formerly, when we needed a senior vice president, we frequently had to go out and buy one which we dislike doing. In the future we expect to develop top executives among our own people by giving them broad, as opposed to limited, banking experience."

Before starting the four-day week, executives of the Mark Twain banks discussed the pros and cons for four months and the program will be on an experimental basis until the end of 1971.

The problem of working out employee schedules was handed to Mrs. Virginia Kirkpatrick, director of personnel. She in turn told each

of the many supervisors in the three banks what was expected and left it to each supervisor to develop a schedule which would keep the individual operations fully manned. No employee was told he or she had to work a four-day week and 30%—mostly more mature employees—chose to remain on a five-day week. The result has been a multiplicity of schedules, each of which represents the idea of a department head working as an individual. And this individual effort represents one of the objectives of the Mark Twain banks. As Mr. Aronson expressed it:

"We are convinced there is a great deal of unrecognized creativity among our employees and we want to bring it out. In the case of our top executives, we want them to get away from the bank for one more day a week so that at least they have an opportunity to think about their jobs and their bank. Who knows what ideas they will come up with?" • •

# Four-Day Week (Continued)

become evident until we were well into the second month of the program.”

Bank of Santa Fe, N. M., also went to the four-day week as a means of extending hours to 8 to 5:30 Monday through Friday for customer convenience. By rotating days off, employees work a 34-hour week and obtain a three-day weekend every four weeks.

“Santa Fe has heavy tourist traffic,” commented Mrs. Jensine N. Irby, assistant vice president and personnel director, “and we find that our longer banking hours are appreciated, particularly by these transient visitors.

“Our employees are enthusiastic about the three-day weekends they now obtain once a month. Plans are made far in advance to undertake major projects or to make trips that were not feasible with only two days off.”

Casco Bank, Portland, Me., introduced a three-day schedule, but only in its computer operations, “to eliminate overtime, achieve a full 24-hour-six-day program and increase productivity,” reported Bruce W. Bohrmann, marketing officer. “In the first four months the plan was in operation, there has been only one incident of absenteeism and production has been excellent.”

Employees involved work 12 hours a day in two shifts. The day shift works from 5:30 a.m. to 6 p.m. and the night from 5:30 p.m. to 6 a.m. This provides a 30-minute overlap for better transition of work activity. The program was put into effect by hiring only three additional people.

We do not believe we have contacted all the banks that have introduced shorter work weeks. Certain banks are bound to have started the program unobtrusively so that their new programs have not been reported in business publications.

At Vineyard Haven, Mass., for example, Martha's Vineyard National instituted a four-day week October 19, 1970. The objective was to extend a 3 p.m. closing to 5:30. William M. Honey, president, commented only that, although problems have been encountered, the bank is pleased with the results.

Other banks that have instituted shorter work weeks are First Westland National, Denver, Watertown (N. Y.) Savings and the Continental Bank in Norristown, Pa.

Banking, of course, was not the first business to go to four-day. Almost certainly no company can say, “We were first” and make it stick. But the trend

seems to be gaining more and more acceptance, particularly among smaller companies and those owned by individuals. Obviously, in such cases it is simpler for such firms to make the shift. A large operation with a multiplicity of union contracts certainly has a knottier problem.

In her study, Mrs. Poor obtained data on only 36 companies that were on work weeks of less than five days. (She found two companies working three-day weeks—a computer operation and a manufacturer of harpsichords.) Today we think you can safely put a zero after that 36 and estimate close to 400 companies are on four-day. A large operation that joined the trend recently was John Hancock Mutual Life Insurance Co. This employer of 6,000 people has placed 290 of them on a four-day week to learn how it works.

As a result of her study, Mrs. Poor determined that four-day reduced absenteeism and turnover, decreased tardiness, increased the ability of four-day companies to recruit more desirable labor and achieve increased output, therefore, increasing net income.

One bugaboo mentioned frequently

## ABA Honors Whitney Young

WASHINGTON—The ABA has awarded its first Whitney M. Young Jr. graduate fellowship to William D. Bradford, Columbus, O. The fellowship, created in memory of the late head of the National Urban League, will be granted annually to a member of a minority group toward a doctorate in banking, finance or economics. It carries a stipend of \$3,500 for one academic year, plus tuition costs and fees.

According to ABA President Clifford C. Sommer, the ABA established the fellowship because Mr. Young “was instrumental in establishing a continuing relationship between the ABA and the Urban League toward the goal of affirmative-action programs in the banking profession.”

Mr. Bradford, the first winner, is a graduate of Howard University and received his master's degree in business administration at Ohio State University in 1968. Since then he has been working toward his doctorate in finance there. The subject of his dissertation is “Inflation, the Value of the Firm and the Cost of Capital.” Mr. Bradford won an Ohio Bankers Association fellowship in 1969.

is: “Doesn't four-day increase moonlighting?” Bankers we talked with indicated moonlighting had not increased among four-day employees.

Another problem: What is being done in states with laws limiting the number of hours a woman can work in one day?

We found no bank that had encountered difficulty in this respect, though the method used to reconcile women's working hours with state laws varied from state to state.

In some cases, the bank simply set up a nine-hour shift, let's say. But lunch time and coffee breaks reduced actual working time to eight hours.

One personnel manager decided that the Civil Rights Act of 1964, which prohibits (among other things) discrimination in employment because of sex, simply overruled her state's law limiting the hours a woman may work and went ahead on that basis.

A spokesman for the NLRB termed such an attitude mighty arbitrary and said test cases were on their way through the courts in several states. The Supreme Court of one state, he said, had found that state's statute limiting women's working hours unconstitutional under the state constitution. So far as he knew, that was the only final court adjudication.

Bank of Santa Fe asked the state Department of Labor and its bank commissioner for a ruling. The bank was told that it was in interstate commerce and the state statute did not apply.

If you are contemplating a work week of fewer days with longer hours each day, the answer seems to be: Have your legal counsel determine the attitude of state authorities and what their rulings will be.

**About paying overtime.** Federal law as of this writing requires that time and a half be paid only after the employee has worked 40 hours. However, the Minimum Wage Bill (S. 1861) now being considered by the Senate Labor Committee would require time and a half after eight hours in any one day. Nonetheless, it is extremely likely that this requirement will be changed in some way to provide exemption for four-day operations. Heavy pressure is being exerted to accomplish that objective. • •

## First National Sponsors Concert

LOUISVILLE—First National recently sponsored a concert by the Mormon Tabernacle Choir. The choir, which now appears in person only a few times a year, performed before a crowd of about 18,000 persons.



# New Training Program Provides Diversity In Work Assignments

*Objective Is to Develop Senior Officers Within Banks And to Broaden Executives' Experience and Perspective*

“I AM CONVINCED that among our employees there is a great deal of unrecognized creativity,” said Adam Aronson, chairman of Mark Twain Bancshares, Inc. “I believe that it is a shameful waste to take a young man with a high I.Q. and place him in a job where he has no opportunity to make decisions. I want to make our banks even better places in which to work and to do that we must give our people more chance to use their imaginations, more time to think about their jobs and how those jobs can be done better. We must find a means of ferreting out the man with ideas and then rewarding him with increased responsibility.”

Banks from Maine to New Mexico have adopted shorter work weeks for a variety of reasons, but Mr. Aronson is the only banker so far to approach this innovative step from the people angle. His approach is epitomized in the paragraph above, but it can be capsuled even more succinctly:

To transform people who are just people who work in banks into people who are fully rounded bankers.

Mark Twain Bancshares, Inc., is a multi-bank holding company based in Clayton, Mo. It controls Mark Twain South County, Mehlville; Mark Twain Northland, Jennings; and Mark Twain State, Bridgeton. All four towns are St. Louis suburbs, and the three banks have combined assets of approximately \$115 million. Mr. Aronson is chairman of the South County and Northland banks and a director of the Bridgeton bank.

By **ARTHUR C. NORRIS**  
Contributing Editor

But where is the connection between producing fully rounded bankers and instituting a shorter work week?

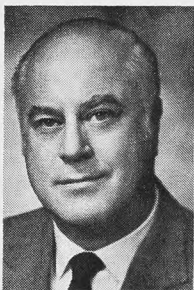
First of all, at the top-executive level —“I want our top men,” Mr. Aronson explained, “to get away from the bank one more day a week. I know that while they are away they are still going to think about the bank and only by thinking can a man obtain perspective and thus come up with new ideas. As it is, too many of our top men feel that they have to work extra-long hours just to get the job done. They are unwilling to turn their duties over to an assistant. They feel guilty when they do occasionally take a day off to play golf. That isn't good for the top man—or, for that matter, for his assistant; it suggests that his boss lacks confidence in him.”

Second, at the junior-executive and

division-head level—“All banks—in fact, all businesses—have men who have spent their working lives in one department doing much the same thing every working day. For example, banks have installment loan managers who would be lost if you put them in commercial loans; marketing men who would be extremely ill at ease in public relations. Our days off are going to be so arranged that when an installment loan manager is off, a commercial loan manager will be working. Then the man who is off will have to fill both jobs or at least supervise the work of the other man's assistant. The result will broaden a man's experience and determine if the department head's assistant is ready for increased responsibility.

“But even more than that. At one of our banks, certain department heads were down in the basement. Customers never saw them unless they had business with their particular departments. We have moved these men up to the main lobby, where our customers can get at them. Our purpose is to do away with specialists and to develop bankers. We want our executive-level people to be able to do virtually any job in the bank. They must be loan men, new business representatives, business development men, platform men and, if it becomes necessary when the bank is crowded with customers, they can be tellers too.”

When an experienced department head is shifted to another department, Mr. Aronson pointed out, he is bound to view the new job from a different angle than the man who fills its regular-



ARONSON



KIRKPATRICK

ly. He is convinced that by thus spreading the interests of his junior executives, significant innovations are bound to result. People new to a job are certain to come up with new ideas about that job simply because it is new and therefore more interesting to them.

A problem all banks have is development of top-echelon officers, people who are capable of running the entire operation, of making the basic decisions that enable the broad spectrum of operations to mesh. Usually when a bank needs a senior vice president, Mr. Aronson pointed out, it is necessary to go out and buy one from another bank. And no bank likes to do that. Through the Mark Twain banks' new program providing diversity in work assignments, Mr. Aronson is convinced that the Mark Twain banks will develop their own senior officers. Obviously, that will provide incentive for the men lower down on the promotion ladder, because every man—and woman—would like to be top dog.

To prove that they are practicing what Mr. Aronson preaches, that they are developing young executives, the Mark Twain banks have at least 10 officers whose median age is approximately 30 years.

John Dubinsky is fairly typical. He is 27 years old and vice president and secretary of the holding company. After obtaining a master's degree in business administration from Washington University, he worked as Mr. Aronson's executive assistant. In May, 1969, he was elected secretary of the HC and in February, 1971, its vice president. He works in assets management, commercial loans, development and the legal problems of a holding company.

Among the nine other young executives none is older than his middle 30s.

Robert C. Butler is president of Mark Twain State. Michael P. McCarthy is acting president of Mark Twain Northland and vice president for operations of the holding company. William T. Springer is vice president of Mark Twain State. Richard C. Jensen holds the same post at Northland. Harold Patton is vice president of Mark Twain South County and acts as installment loan coordinator for all three banks. George T. Wotawa joined South County when it opened eight years ago, was elected an assistant cashier when he was only 23 years old and is now cashier. Blair Farrell, as director of corporate services for the HC, oversees advertising, public relations, purchasing and personnel for all three banks.

Newly elected senior vice presidents are two more young men: Donald C. Temme at Mark Twain State and R. William Smith at Northland. Mr. Temme has a master of science in commerce from St. Louis University.

That the Mark Twain banks already have achieved one of Mr. Aronson's objectives—to make the banks a good place to work—seems obvious. Mrs. Virginia Kirkpatrick, director of personnel, emphasized that recruitment of new and desirable young people is never a problem.

"Most of our new employees come to us through referrals by present employees," Mrs. Kirkpatrick said, "and we find that this is the best way to add help. The person who comes to us as a result of a referral has almost invariably been told of our requirements and about the kind of work he or she will be doing. Also, the employee making the referral tends to discourage the person who would not make an acceptable employee."

In periods when recruitment is difficult, Mrs. Kirkpatrick prefers to advertise in neighborhood newspapers circulated in areas adjacent to the banks, rather than in the metropolitan dailies. Such advertising tends to bring in people whose homes are convenient to the banks. As a result, when they work short hours, they spend a minimum of time going to and from work and if they must be called in unexpectedly, they can reach their jobs in a few minutes.

Of course, as Mrs. Kirkpatrick pointed out, hiring people who live in the neighborhood of your bank packs a highly desirable dividend. When newcomers move into the neighborhood, such people are prone to suggest, "Why don't you bank at my bank?" And of course, over the backyard fence, the bridge table or the kaffee klatsch, such people are bound to talk about how "we do it at our bank."

To obtain college students, Mrs. Kirkpatrick works with the placement bureaus of the colleges in the St. Louis area. With three large universities, St. Louis, Washington and University of Missouri-St. Louis, she has no difficulty in filling the banks' needs. In fact, in the three broad classes of employees—full-time, part-time housewives and part-time college students—recruits are so readily obtainable that the banks have waiting lists. Applications of desirable recruits are kept on file and Mrs. Kirkpatrick has found that many applicants, particularly housewives, will wait until an opening occurs. The reason for this is two-fold, she said. First, there is the prestige of working in a bank, but more important, banks pay more than retail stores, which are a more common source of part-time jobs for housewives.

Students who work part-time during the college year are, of course, a source of full-time employees to fill in during the summer vacation periods. And again, these same students, after they win

their degrees, are a source of full-time employees. Most such young people are trained originally simply by working in the bank, but as they become full-fledged employees they usually are made administrative assistants to officers. In that way they obtain experience under the guidance of a mature executive and when executive positions open they are ready to move up into them.

Because the Mark Twain banks are open 56 hours a week (Friday till 8 p.m. and Saturday till noon), the banks are able to utilize more part-time employees than would banks with normal hours. As a result, jobs also are opened up in many areas other than the obvious one, tellers. Part-time employees are used in virtually every area: new accounts, bookkeeping, filing, the stock room. And an accounting major is an obvious candidate for a job in that department.

As an experienced personnel executive, Mrs. Kirkpatrick has found that it is not difficult to select the better candidates for jobs. And she has learned that simply because a woman used to work in a bank, it does not follow that she will make a desirable employee.

"Such women," she commented, "have frequently been trained to do a particular job in a mechanical way. When we try to teach them our way, they frequently object, 'That isn't the way I used to do it.' It is easier to take a raw recruit and teach her good habits than for the mature woman to *unlearn* what we consider bad habits."

To train new people, the banks conduct regular classes for tellers. These tend to be of the seminar type. Classes in bank bookkeeping and servicing new accounts are due to start soon, and the banks are working on a management program for junior executives.

Helping to make the Mark Twain banks a good place to work—and boosting morale among part-time employees—is the fact that the banks give such people vacation days prorated on the amount of time they work. In addition, the banks are considering means of making holidays and insurance benefits available to part-time employees.

Every 30 days Mrs. Kirkpatrick examines a report on a new employee. This includes a consideration of the training required, the supervision necessary and the employee's attendance record and punctuality. Well before the third month of employment, the banks know if a new worker is a desirable permanent employee.

Now, we asked Mrs. Kirkpatrick, what, above all else, do you look for in hiring a new employee?

"That's easy," she said. "We look for people who like and enjoy people." • • •



**\$9½ Million in 10 Weeks!**

# Training, Incentives, Premiums

*A "three-ply" sales program pays off in new business  
for Union National Bank of Springfield, Mo.*

**I**NSPIRATION plus motivation plus incentives. What does that add up to?

Union National, a \$110-million bank in Springfield, Mo., has determined that it adds up to more individual accounts, increased deposits, a substantial increase in installment loans and a sharp reduction in funds transferred from the bank to S&Ls.

Basis for this far-from-simple equation was a three-ply campaign running more than 90 days and sighted directly on those objectives the program eventually achieved. The three-fold project included:

(1) A new and different, psychologically inspired training program for all employees, one that made a sort of game out of selling bank services;

(2) A motivation device through which employees selling services received prize points redeemable for merchandise;

(3) A selection of gifts for customers, new and old, which provided a buying incentive to the customer and a sales tool for the employee endeavoring to sell the customer.

Union National executives attributed the success of the bank's program to its firm foundation—that is, to the training in customer relations and selling which started four weeks before any sales promotional activity so that employees were prepared to promote.

The entire program was structured by the bank's advertising agency, Barrett/Yehle, Inc., Kansas City, which recommended a system of audio-visual training films created by its communications division. These films were intended to change the attitudes of bank employees toward their jobs, the bank's customers and fellow employees.

"We had used training programs before," commented Russell H. Stiles, vice president and marketing director, "but they merely talked at the employees in terms of obvious platitudes. The system we used this time laid a firm foundation for the promotional campaigns that followed by giving employees an insight into the minds of the bank's customers.

"It showed them why people act the way they do. For example, one of the films featured a pompous individual whose unqualified demands irritated bank employees. The film eventually showed that this man was really unsure of himself and was throwing his weight around to compensate for that feeling.

"Another pictured an eccentric who would withdraw a small amount from one account, deposit it in another and then ask to see if the transactions had been recorded. The bank employees in the film strip found this man a nuisance until they understood that he

was actually lonely and acted the way he did because of that loneliness and lack of friends.

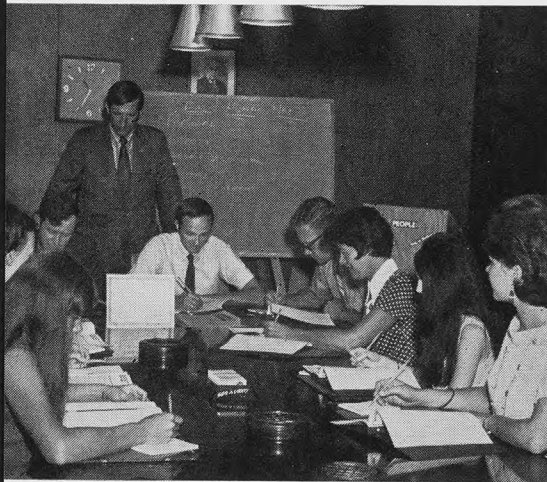
"From examples such as these, the series of films progressed to tried-and-proved sales techniques and it was through these later episodes that we determined employees were learning how to sell and applying what they were being taught. Bank officers overheard employees using some of the very sales approaches and methods demonstrated in the films."

Employees viewed this audio-visual material in groups of 12 to 15. Each such session—of which there were seven—lasted about 45 minutes. Of this time, approximately 30 minutes were devoted to the film and during the additional 15 minutes employees discussed what they had seen and then acted out the message by playing the parts of bank employee and customer. Finally, after each of the seven sessions, each employee filled out a simple review guide that was intended to set

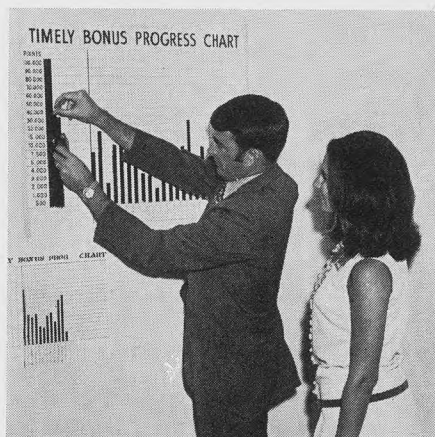
## Campaign Results

	Amount	No. of Accounts
Checking Accounts	\$1,859,486.51	864
Savings Accounts	3,427,549.12	1,583
CD Accounts	2,797,924.17	460
Total Deposits	\$8,084,959.80	2,907
Installment Loans	804,759.20	318
Total Monies	\$8,889,719.00	3,225
Money Retained in Bank From S&Ls	\$ 687,423.14	
Possible Total Effect of Program	\$9,577,137.14	

## Training, Incentives, Premiums (Continued)



**PHASE I** of Union of Springfield's employee customer relations and sales training program: Employees were psychologically motivated to WANT TO SELL bank services. Prior to 72-day staff-incentive program, James R. Branson (standing), personnel director, held 45-minute session with employees each week for seven weeks. "People: Do Not Spindle, Fold or Mutilate," training system was used.



**PHASE II:** Contact and non-contact personnel took part in staff-incentive campaign and were divided equally into teams. Weekly progress charts, hung in coffee lounge areas, reflected progress of teams and individuals. Here Jim Smith, software sales, brings chart up to date. Points toward earning valuable gifts were given for bringing in new checking- and savings-account and installment loan customers.



firmly in his mind the lesson taught.

"The effect of the training system was difficult to measure immediately," said James R. Branson, director of personnel, "but we could see changes in our employees as early as the second session. Their appetites for fascinating new insights into people's minds seemed to be whetted and they were trying out these new techniques. At this point, our employees were beginning to associate behavior patterns common to all people with individuals they knew, lived with or worked with."

The training programs were effective, one bank officer pointed out, because they actually were about the most fascinating subject in the world—oneself. The films showed each employee why he acts the way he does.

Mr. Stiles underlined this point.

"At about the fourth session," he said, "most employees were beginning to take personally the things they had learned about people. Then, and only then, were our employees psychologically ready to even want to accept simple suggestions on how to sell bank services. At this time, the training system provided researched, proved and bank-tested selling techniques. But all of this was placed in the context of what they had learned about human behavior."

All employees, including top officers, attended all seven sessions of the training program. As college graduates, most officers and supervisors already had been exposed to courses in psychology, but found the program to be a refresher course.

Did the system introduced to employees through the Barrett-Yehle training program work? Mr. Branson is convinced it did.

"I'm certain it was instrumental in helping us increase our resources in the months that followed, because our people not only wanted to try some of the selling techniques they learned, but actually did try them and found they were successful."

With the bank employees psychologically ready to sell for themselves,

**PHASE III:** In its premium-promotion campaign, Union Nat'l offered one of 10 clocks to customers opening or adding to time-deposit accounts, opening new demand-deposit accounts or arranging for installment loans. Here customer chooses clock from lobby display of various timepieces offered. Two bank employees assist him. TV, radio and newspaper advertising was concentrated during pay-day periods to achieve maximum impact.

Union National followed up the training period with a staff-incentive program. Through this program, staff members were motivated to sell by offers of gifts that could be "bought" with prize points obtained by selling bank services.

The staff-incentive program was limited to three areas: new checking accounts, new savings accounts and new installment loans. The merchandise awards obtainable were illustrated in a catalog supplied to customers by the bank. As a grand prize, a five-day-four-night trip to Nassau for two was offered to the employee amassing the most prize points. Officers were not eligible for the grand prize and non-contact employees received twice as many points for a "sale" as did contact employees.

To aid employees in making sales, the bank prepared customer introduction cards. These were signed by employees and mailed to relatives, friends and neighbors asking for their banking business. Employees were required to list a minimum of 30 names, but some employees turned in as many as 175.

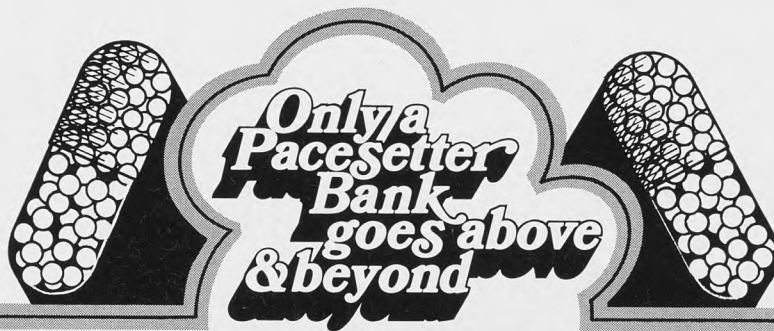
With employees trained and motivated, the bank provided an additional sales tool to make the selling job easier. A selection of 10 different clocks was chosen because of the universal appeal of such a gift. The clocks were offered for account openers, add-ons and installment loans. The premium program was backed by an intensive advertising campaign using television, newspapers and radio. In addition, clocks and point-of-sale material were displayed in six bank windows fronting on Springfield's downtown Park Central Square and in lobby posters and small billboards in drive-in areas.

The end of June and the first 10 days of July were considered a critical period for the promotion. Would the bank lose demand and time deposits generated during the first days of the campaign to S&Ls or other banks during this reinvestment period? Would the normal loss of such funds prevail again this year? Amazingly, the promotion not only picked up several hundred new accounts, but retained an estimated \$687,000 normally lost to S&Ls. This comparison was based on analysis and comparison of large checks for the first 10 days in July, 1970, and the like period in July, 1971.

With the campaign over the results are in. Here's the final score:

*(Continued on page 40)*





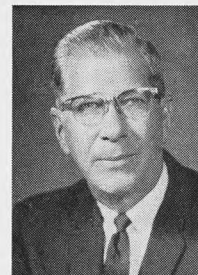
**"I'm fine, now.  
It's  
my wallet  
that's sick!"**



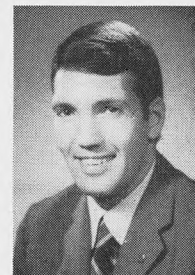
Suppose one of your very good customers calls you from a distant city to explain that he cannot leave a hospital until he pays his bill. And they won't accept a check on an out-of-town bank. What do you do?

One of our correspondent banks had this unique problem not too long ago. So, they called National Bank of Tulsa for help, and a few phone calls later the customer was able to pay his bill from funds placed on deposit for him in that city.

Maybe you have a special problem, too. We'd like to help. We've got a full roster of correspondent banking services, plus a few more that go above and beyond what you'd normally expect. Just call Art Troll or Curt Cook of our Correspondent Bank Department at (918) 584-3411. Chances are, we can prescribe a cure.



ART TROLL



CURT COOK



# the Great Pearl Offer



EXCITING NEW SAVINGS CONTINUITY PROGRAM  
THAT IS RAPIDLY BECOMING THE NEW NATIONAL CHAMPION

*Women love cultured pearls, and now they can afford them, a few at a time. It's as simple as that. Just ask any of the banks throughout the nation who have tried it.*

*If you want to build your regular savings customer base . . . to develop regular, frequent customer savings habits . . . and show your customers that you care . . . then the Great Pearl Offer is a gem of an idea for you.*

## CHECK THESE SPECIAL FEATURES:

- ✓ Prestigious and elegant.
- ✓ Powerful coupon merchandising program.
- ✓ Small storage space requirements.
- ✓ Only one-type item to inventory.
- ✓ Quick delivery by air.
- ✓ Guaranteed sale.
- ✓ Free point of sale displays.
- ✓ Free newspaper mats and radio.
- ✓ A real "plus value" for your savings customers.
- ✓ Completely self liquidating.

STRING ALONG WITH ME

**BILL DUNAGAN, President**  
**WYATT, DUNAGAN & WILLIAMS, INC.**  
1901 AVENUE OF THE STARS, LOS ANGELES, CALIF. 90067

Dear Bill:  
Yes, I want to know more about the Great Pearl Offer.

NAME \_\_\_\_\_ TITLE \_\_\_\_\_  
BANK \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

864 new checking accounts totaling more than \$1.8 million; 1,583 new savings accounts for more than \$3.4 million; 460 CD accounts approaching \$2.8 million. In addition, 318 installment loans were made for a total of more than \$800,000 and funds retained in the bank from S&Ls approached \$700,000. Union National calculated the possible total effect of the three-ly campaign as more than \$9.5 million.

When the campaign ended, Mr. Stiles admitted, there was a letting down on the part of employees and the bank is now considering another campaign in the fall after Union National moves into new headquarters nearing completion. The feeling is that such a program can be a success once a year—but no more than once a year—and Mr. Stiles is convinced that such success must be based firmly on the training period, which is the foundation of the entire campaign.

Barrett/Yehle built its training program over a period of 10 years, during which the agency was preparing advertising for various banks. Working in that way, agency executives saw a need for some program to teach bank employees how to sell. After all, a bank teller ordinarily is not equipped to be a salesman.

Over the years, as Barrett/Yehle conceived ideas about how to go about such a task, these ideas were discussed with bankers to get their reactions and also to learn what the bankers believed they needed. When the project began to jell, the result was submitted to a psychologist not connected with the agency to make sure no obvious errors had been made and then the total was tried out on individual bankers.

The result has been significant acceptance among bankers. In addition to Union National, two other banks in MID-CONTINENT BANKER territory are using the Barrett/Yehle program. They are Twin Lakes State, a \$10-million bank in Wichita, and Commercial National, a \$142-million bank in Kansas City, Kan.

Karl Yehle, president of Barrett/Yehle Communications, is convinced that his agency's program can be used successfully by both large and small banks.



INSURANCE-WISE

# bank people are a special kind of people...

*that's why we can hold down  
the cost of your group insurance*

Very simply, bank people are *better group risks*. And because Scarborough Associates is a bankers-only group, we can offer members the most benefits and the largest benefits at the lowest possible rates—to any bank with one employee or more.

Proof: Scarborough has increased member benefits or reduced premiums for 25 of the last 26 years while medical costs have continued to rise.

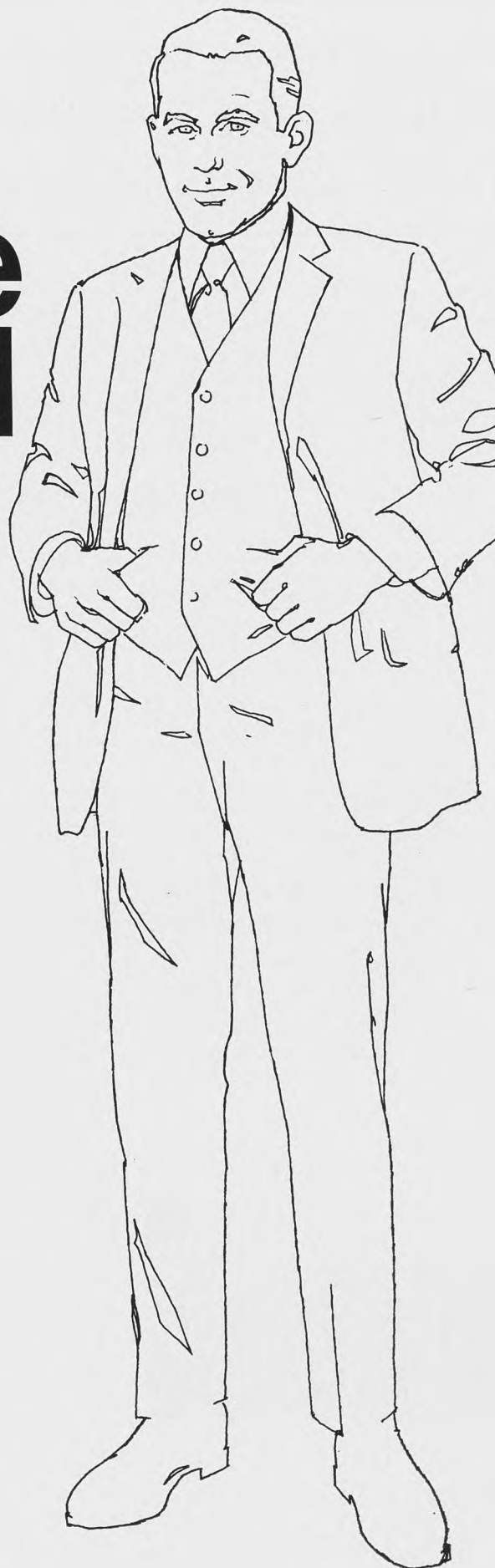
For the banking industry, Scarborough Associates is the solution to soaring hospital and surgical charges.

And it's the answer to complete bank-group protection.

Not just Hospital and Surgical coverage, but also Executive Group Life, Salary Continuance, Pension Plans and many, many others. You choose *only* the one or ones that meet *your* bank's needs.

When you enroll, we take care of all the details—claims, paperwork and headaches.

Find out how special a banker can be. Write for brochure and rates for your staff and their dependents. Scarborough and Company, for Scarborough Associates, Inc., 33 N. Dearborn St., Chicago 60602.



## Scarborough

The bank insurance people 52nd year

MID-CONTINENT BANKER for September, 1971

# Money Available to Bank Customers 24 Hours a Day Seven Days a Week Through Automatic Teller System

**T**WENTY-FOUR HOUR BANKING is now available in the form of an automatic teller system. Two banks—University National, Peoria, Ill., and First Western Bank, Bessemer, Ala.—have installed this latest innovation in customer service, which is manufactured by Diebold, Inc., Canton O. Although the systems are identical, University National calls its installation “Millie the Teller,” while First Western refers to its system as “Cash ‘n Carry.” First Western installed its system in a new branch in Birmingham.

By using the new Diebold MD400 Automatic Teller System, customers of the two banks can obtain cash at any hour of the day or night seven days a week. All they need is a specially designed credit card.

Here's how the system works:

A customer inserts his card with a magnetic strip coded to rate of use, then he keys in a secret personal identification number and receives a sealed envelope containing a certain amount of money (at University National, it's \$30; at First Western, \$50). A customer may use his card twice a week at the Peoria bank and three times a week in Birmingham. The entire transaction takes only about 14 seconds. The card is simultaneously checked for accuracy; a digital computer makes calculations and verifies the customer's secret number, and a record is made of the transaction.

If a card is used more than the allotted times during a week, a sign flashes on the panel indicating that the

transaction is not valid. The card is returned to the owner, but no money is dispensed.

The system also has a “hot-card” memory bank. The number of each lost or stolen card reported to the banks is coded into their systems. If any of these cards is inserted into the machines, the system will retain the card and will dispense no money. To ensure protection against a lost or stolen card, the identification number is not printed anywhere on the card. The number is given only to the individual responsible for the checking account, with specific instructions not to keep the card and number together—even in the same wallet.

At both banks, the MD400 system is being used in conjunction with the Diebold after-hours depository, which allows customers to make deposits around the clock. Thus, with the combined automatic teller system and after-hours depository, University National and First Western can offer 24-hour service to their customers in the following categories: obtaining cash, making checking- and savings-account deposits, making savings withdrawals and paying loan installments.

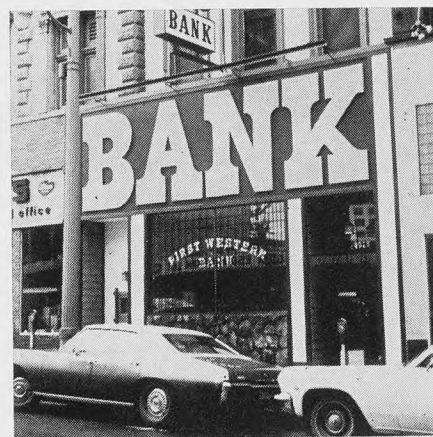
According to Frank D. Robinson, executive vice president of Diebold, “The Diebold Automatic Banking System is relatively new to the United States. Nevertheless, there are nearly a thousand in use throughout the world. To date, they have dispensed over \$150 million (about seven million transactions) without one known instance of fraud or physical attack.”

William G. Lyman Jr., president of University National, is enthusiastic about the new system, pointing out that because it provides money for customers without their having to go into the bank, it relieves his tellers of these check-cashing chores during regular banking hours. Then, too, he added, by being able to get money from the automatic teller, customers don't have to arrange their schedules to conform with banking hours.

“In addition,” said Mr. Lyman, “I believe deposits will increase by \$2 million by the first of the year, and the MD400 will be an important contributing factor.” • •



Customers of University Nat'l, Peoria, Ill., don't have to enter main banking lobby to transact their business. At rear of new bank building are located three walk-up windows, which are manned during regular banking hours, plus after-hours depository and new Diebold MD400 Automatic Banking System. Latter installation dispenses cash at any hour of day or night, seven days a week, to customers with specially encoded credit cards.



Feature of new branch in Birmingham, Ala., of First Western Bank, Bessemer, is Diebold MD400 Automatic Banking System. Bank's installation is located (partially hidden) in vestibule at left in this photo. When bank branch is closed or customer merely wants some money, he can insert his special credit card into installation and get \$50.



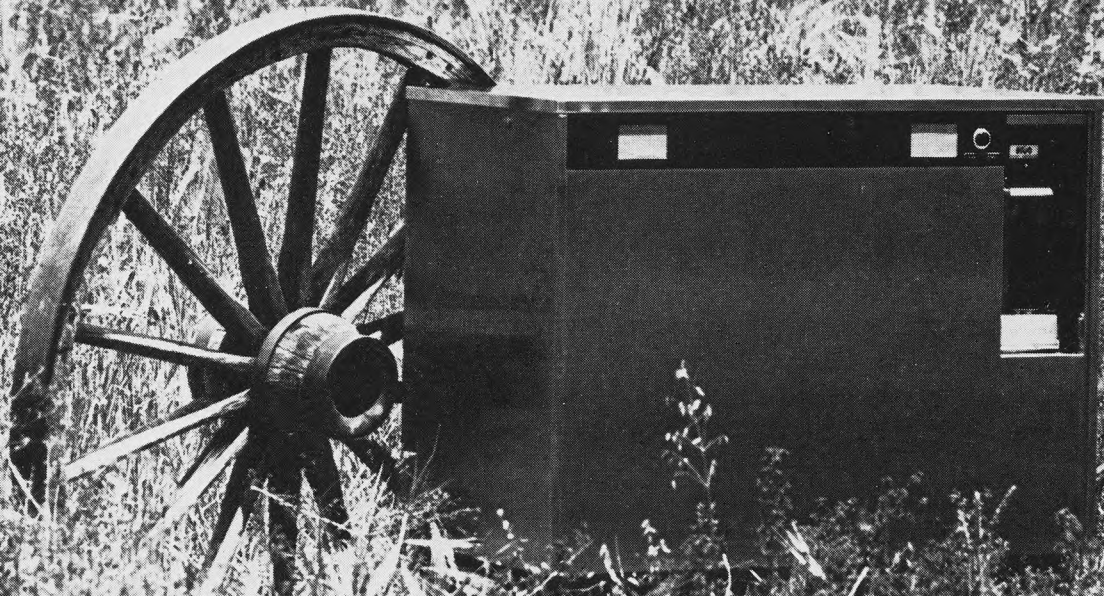
W. G. Lyman Jr. (l.), pres., University Nat'l, Peoria, Ill., and Frank D. Robinson, exec. v.p., Diebold, Inc., examine envelope containing \$30. Money had been dispensed by bank's new Diebold MD400 Automatic Banking System (installation at left). Night depository is at right. When customer inserts card and keys in secret code number, he receives money in about 14 seconds.



This illustration gives step-by-step instructions on using Diebold MD400 Automatic Banking System, described in accompanying article.



**first  
came the  
wheel...  
now  
tellertube**



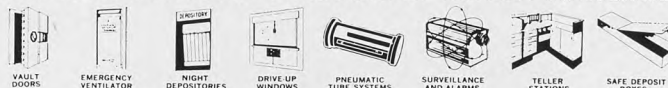
*THE DRIVE-UP  
SYSTEM WITH  
ENGINEERED  
SIMPLICITY*

Security Corporation has the drive-up system you've been waiting for — Tellertube, the system that's virtually maintenance-free because it was engineered that way.

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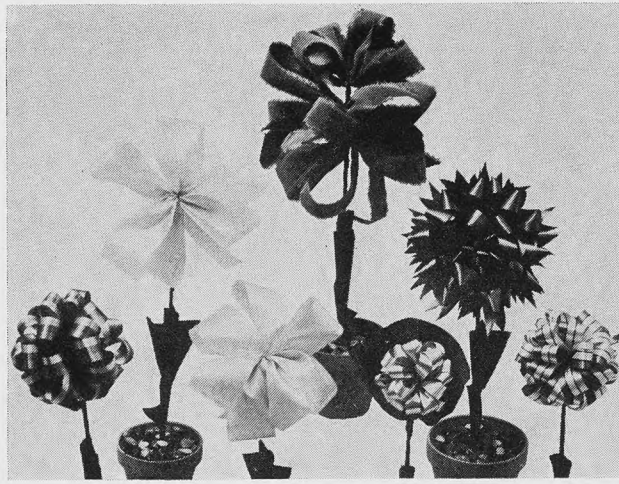
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# Employee Solicitation Is Key To Christmas Club Growth

*Door-to-door solicitation and consistent cross-selling  
result in trebling of accounts for Missouri bank*

**H**OW IS YOUR bank's Christmas club garden growing? Or is it?

Banks have been offering Christmas saving plans for years, but the harvest of profits has not always been outstanding.

What is it that makes one bank's Christmas club solicitation so-so while another bank experiences a 286% jump in Christmas club accounts after one brief promotion?

MID-CONTINENT BANKER has conducted a limited survey of Christmas club promotional efforts by banks to determine what ingredients are vital for a healthy garden of accounts. The tips that the survey reveals could be extremely helpful to banks seeking increases in 1972 accounts.

All but one of the responding banks reported increases in the number of Christmas club accounts solicited in 1971 over 1970. The increases ranged from 5% to 286%. The average percentage of increase was 43. One lone bank reported a decline in accounts of 20% and attributed the reversal to tight money conditions in the banks' area.

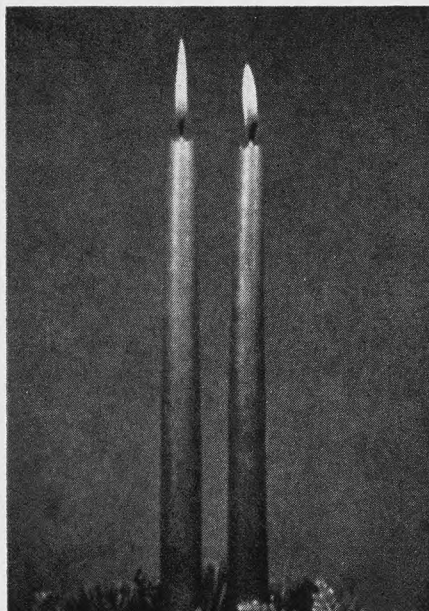
Thus, almost 100% of responding banks are having a degree of success with their Christmas club programs. What are these banks doing to make their programs successful?

The results of the survey show that 62% of responding banks do *not* pay interest on their Christmas club accounts,

By **JIM FABIAN**  
Associate Editor

which seems to indicate that interest is not a major consideration. Fifty percent reported that they do *not* use premiums in any way in connection with their Christmas club account promotions, which makes the use of premiums a moot issue. A majority of responding banks reports little promotional advertising for Christmas clubs.

**National American Bank, New Orleans, offered two 12-inch scented candles last year to customers opening new Christmas club accounts.**



Yet, despite the lack of exceptional incentives, responding banks averaged 43% growth in Christmas club accounts last year.

MID-CONTINENT BANKER asked these banks if they encouraged employee participation when soliciting accounts. Sixty percent said they did, including the bank that posted the 286% increase—Bank of Sikeston, Mo.

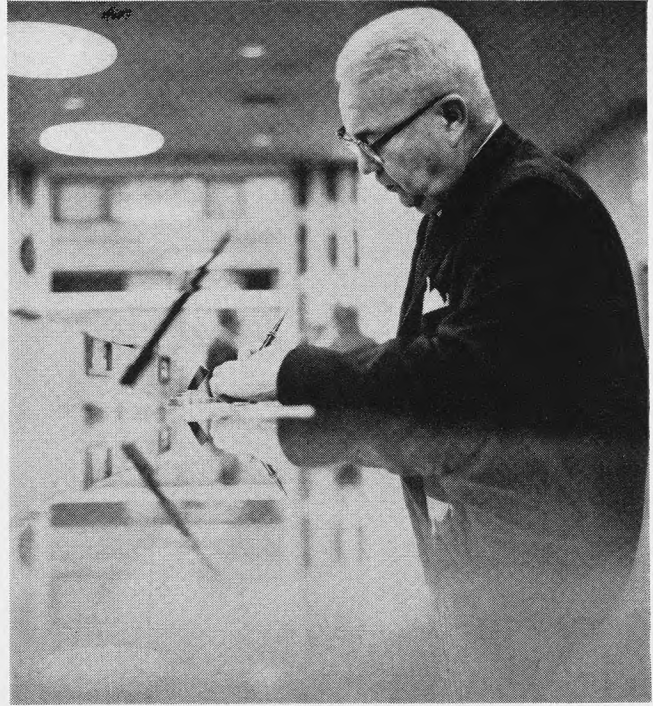
Charles D. Matthews, president of Bank of Sikeston, reported that his employees were responsible for the huge increase in accounts (from 300 to 1,100 in one campaign). Sikeston's population is about 15,000, and the city boasts three commercial banks, all of which offer Christmas clubs.

According to Mr. Matthews, every one of the bank's employees was asked to participate in a door-to-door campaign to solicit Christmas club accounts. Employees were provided with complete solicitation information and materials before canvassing the community. Two teams were formed and a number of prizes were awarded. One point was earned for each repeat account and two points for each new account. The two top winners and their spouses were given weekend Christmas shopping trips to St. Louis, with the bank providing transportation, hotel and meal expenses, plus \$100 shopping money per couple. Other prizes included merchandise certificates from Sikes-





Art McGowan just made his 28th Christmas Club payment. Now he's taking out his first auto loan.



Walter Capitain just made his 37th Christmas Club payment. Now he's opening a checking account.



Ted Bosfield just received his Christmas Club check. Now he's putting some of it in his savings account.

**Christmas Clubs  
sell more than  
Christmas Clubs.  
They help sell  
all your  
banking  
services.**

## **Christmas Club a Corporation**

330 Madison Avenue New York, New York 10017

MID-CONTINENT BANKER for September, 1971

ton stores.

President Matthews was careful not to alienate prospective new commercial accounts in connection with the gift certificates. Since a new shopping center had just opened in Sikeston, the bank arranged for the gift certificates to be honored at stores in the center. The result? Many of these stores opened accounts with the bank.

Bank of Sikeston expects to triple its Christmas club accounts for 1972 with a similar employee incentive promotion.

Other banks report success with employee incentive plans. Fair Park National, Dallas, offered Christmas club accounts for the first time last year. The \$26-million-dollar bank's employees solicited 1,829 accounts, involving some \$17,000, during the promotion. The campaign was the first time the bank's employees had been urged to cross-sell. One employee solicited 187 accounts.

Churubusco (Ind.) State sponsors an employee incentive Christmas club promotion annually. G. F. Wright, executive vice president, reports that employees were divided into two teams the first year. The teams were nicknamed "Mistle" and "Toe." The winning team's members enjoyed steak dinners and the losing team had to eat beans at a local restaurant. That year the number of accounts jumped 20%.

The bank's next contest offered trading stamps, which were used to earn items from a gift catalog. The campaign was kicked off at a breakfast meeting where each employee received a copy of the contest rules and a gift catalog. The earliest arrival received a bonus packet of stamps. The bank kept a running chart during the contest so each employee could see how he was doing (as could other employees!). The bank posted another 20% gain in accounts that year.

Citizens State, Galena, Kan., conducts a two-week Christmas club campaign annually, called "Win a Lucky Buck From Citizens State Bank." No matter how many times a customer enters the bank during the promotion, if he is not asked to join the Christmas club before he leaves, he wins \$1. The bank awards about 20 "lucky bucks" each year—a small price to pay for the influx of prospective customers the promotion brings in.

Mrs. Maxine Poteet, cashier of Citizens State, reports that the "lucky buck" promotion has been held for four years, with an annual average 25% increase in accounts. She says there has been good growth in accounts held by children, who prefer the 25¢-per-week savings plan. She also reports that many account holders use their funds to pay taxes. The bank pays out its Christmas club accounts in November

—the same time tax bills arrive.

Numerous banks report that the main benefit they receive from Christmas club activity is an opportunity to sell additional services. These bankers appreciate the fact that most account holders come to the bank 35 times a year to add to their Christmas club accounts. That means bank employees have ample opportunity to offer additional bank services to account holders. National American Bank, New Orleans, reports that the principal reasons it offers Christmas club accounts are to have the use of a large sum of interest-free balances, to gain the goodwill of customers by means of a Christmas club-connected premium and to cross-sell other bank services to new customers.

Banks offering premiums with new Christmas club accounts report that serving trays, holiday candles, holly seedlings, Christmas books and hurricane lamps are the most popular items.

Every year a number of banks try new approaches when soliciting new Christmas club accounts. First National, St. Louis, is offering 1972 Christmas clubbers the option of making weekly or bi-weekly payments either in person, by mail or by deduction from checking accounts. In addition, all new account holders will receive free interstate highway atlases and will have the opportunity

(Continued on page 48)

## The Christmas Club Market Is a Whopper

**C**OULD IT BE that you think the Christmas club market is not worth the time and money it takes to promote?

Nothing could be further from the truth, according to Christmas Club a Corporation, New York City.

Figures released by the Corporation reveal that the Christmas clubs the Corporation services comprise a \$2.4 billion market in deposits—a good portion of it *interest-free*.

The Corporation's Christmas club market is capable of creating \$9.4 million in profits annually for banks, it provides incentives resulting in the building of additional deposits, and can increase the retention ratio of bank customers while offering opportunities to cross-sell bank services.

The Corporation's Christmas club market consists of 16.6 million depositors who deposited \$2,396,000,000 into Christmas clubs in 1970. This spells profits for banks, the Corporation says. The average bank makes \$1 net profit on every \$128 on deposit. The average Christmas club check is written in the amount of \$144. This results in an av-

erage of \$72 for a full year in each club account, or 66¢ net profit per account, according to Corporation figures.

Thirty percent of the average Christmas club check goes back into permanent savings, according to Christmas Club a Corporation. On the average, 10% of each check goes for taxes, 17% for mortgage and insurance payments, 13% for education and only 30% for Christmas spending. Depositors put as much money back into the bank as they spend for Christmas shopping. The 30% that goes into permanent savings provides an additional \$43.20 permanent deposit from every club depositor.

Christmas Club a Corporation estimates that more than 65% of account holders are under 45 years of age, and terms these people the "future savers." These are the people that need additional bank services, the Corporation states. By having these potential savers come into the bank regularly to add to their Christmas club accounts, banks are provided with abundant opportunities to cross-sell services.

A survey of Christmas Club a Corporation account holders shows that, in metropolitan areas, 71% also have savings accounts, 70% have checking accounts and 31% use loan services. In suburban areas, 85% also have savings accounts, 59% have checking accounts and 29% use loan services.

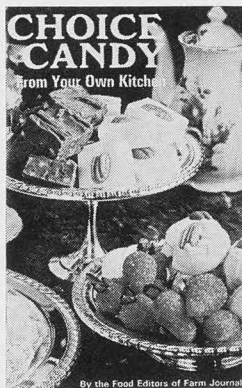
According to the Bank Marketing Association, the average bank customer uses only 1.8 bank services. The more services a bank customer uses, the more likely he is to stay with the bank. For instance, for every customer maintaining a checking account, the bank can expect to lose one customer; but, for every customer maintaining checking, savings and loan accounts, it can expect to lose only one out of every 18 customers.

On the average, it costs a bank \$28 to secure a new account. But once that account is on the bank's books, the bank can sell additional services at nominal cost. Banks maintaining Christmas clubs have up to 35 opportunities each year to sell additional services to account holders, the Corporation states. • •



# DON'T PROMOTE CHRISTMAS CLUBS

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Susan Fry, Associate Editor of *Premium/Incentive Business News Magazine* states: "Although a greater variety of general reference books are available to the premium trade, cookbooks remain the most often used premium titles today." "... financial institutions continue to rate gourmet guides high on their list as giveaways. . . ."

J. Edward Connelly Associates, America's leading financial promotion company, has taken the proven effectiveness of gourmet cookbooks one step further. "Choice Candy From Your Own Kitchen" is a new and exciting cookbook that has as its subject Homemade Candy which is presently enjoying unbelievable popularity due to the great nostalgia wave now sweeping the country. This original and timely book is written and published by the authors of the most widely read cookbooks in America, the food editors of the *Farm Journal Magazine*. This 96 page book is 8 1/4" x 5 1/4" in size with a colorful soft cover plus 8 pages of beautiful color illustrations. It contains hundreds of recipes

from old-fashioned favorites to many new ones including techniques for making your own chocolate coated candy bars. It is priced under 50¢ even though the hard back book sells for \$5.95. Because of this low cost, the book makes a tremendous premium to be given FREE for new Christmas Club Accounts.

But that's not all. To make the program even more exciting, for each Candy Book given away free, the customer receives a Valuable Purchase Certificate which entitles them to buy an elegant Oneida Silver Compote for a fraction of its retail value. This compote is a fantastic value and makes a perfect tie-in since it is featured on the multicolored cover of the Candy Book and can be used to serve the delicious candy made from the recipes.

This program can be a complete give away or a self-liquidator . . . but you MUST see this program before you make a decision . . . be the very first in your area. . . .

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PHONE: \_\_\_\_\_ AREA CODE: \_\_\_\_\_

# Christmas Saving Club Account Holders Are Good Source of New Bank Business

CHRISTMAS savings clubs are no longer the "loss leaders" of former years, according to Rand McNally & Co.'s bank systems division. Rising earnings rates and higher average balances have put most clubs in the black, the firm reports.

U. S. Census figures record 8.3 million 18-to-24-year-olds in the nation, most of whom have no bank connections. About 3.5 million of those in this age bracket relocate in any given year. Christmas clubs have been found to be ideal vehicles for banks to attract the business of this large pool of newcomers.

Rand McNally, which has been in the Christmas club business for 35 years, has conducted a survey that shows the average Christmas club member to be young in years and often newly married. These factors make these people prime prospects for loans and personal checking accounts. In later years, they become prospects for savings accounts and trust services. In many cases, the firm reports, Christmas club accounts are the first contact a young person has with a bank. And once a bank signs up such a person for a Christmas club account, it gains the opportunity to cross-sell that person other bank services every time the person enters the bank to make a Christmas club payment.

The survey further reports that 729 of every 1,000 Christmas club members are likely to sign up for regular checking accounts, 793 may be sold special checking accounts, 661 may be sold savings accounts and 869 may be sold safe deposit boxes. Each additional bank service a club member buys tends to further cement his loyalty to the bank.

Rand McNally also states that Christmas clubs teach thrift by means of systematic saving, which often becomes habit forming. When a person realizes that the purpose of a club account is to meet expenses that will be occurring soon (such as at Christmas), he will be inclined to save regularly.

Christmas clubs result in low-cost deposits for banks. Rand McNally reports that costs of securing a typical savings passbook deposit are from three to six times greater than those for securing a Christmas club deposit. Also, a person with a Christmas club account tends not to use his savings account for small transactions, resulting in the removal of this type of unprofitable activity from a bank's savings ledgers.

Rand McNally advises that tellers have the best opportunity to recognize favorable cross-sell situations. Properly trained tellers can therefore bring profitable new business to their banks through their many contacts with Christmas club savers. • •

## Christmas Club Growth

(Continued from page 46)

nity to purchase Christmas records for less than \$1. First National offers bonus points to employees soliciting Christmas club accounts.

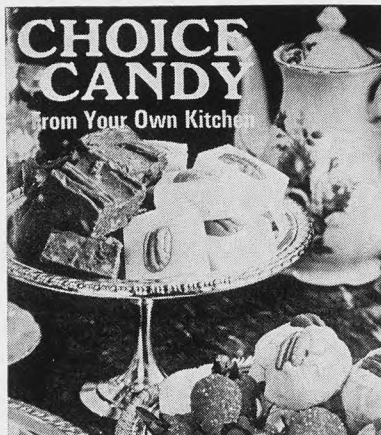
Bank of Terrebonne, Houma, La., plans to do away with Christmas pre-

### Christmas Club Incentives

Banks facing competition for Christmas club customers from nearby banks offering similar club plans often seek to gain the advantage by offering giveaways and/or premiums to new account holders.

One combination offer available this season is a cookbook featuring homemade candy recipes and a silver compote made by Oneida. The combination is offered by J. Edward Connelly Associates, Pittsburgh.

The firm suggests that participating banks use the cookbook as a giveaway



Cookbook features compote on cover.

item to attract new Christmas club accounts. After a customer opens an account, he is offered a coupon that enables him to purchase the compote for \$2.95. Thus, the customer not only has received a gift for opening his account, but has the opportunity to purchase a quality item at a low price.

The 96-page cookbook is priced under fifty cents, making it an economical giveaway. The compote is a self-liquidator. Participating banks have the option of raising the price for the compote to absorb the cost of the cookbook. All unsold compotes can be returned for full refund.

miums when soliciting 1972 accounts. Last year the bank offered address books, wallets and holiday tablecloths as premiums and experienced a 6% increase in accounts. Miss Sarah Percle, bank director, says the bank is interested in learning what effect premiums have in securing Christmas club accounts. The bank plans to retain its employee incentive plan.

Christmas and goodwill are synonymous. And MID-CONTINENT BANKER's survey confirms the fact that the practice of employees making friendly person-to-person contacts with prospective customers results in increased goodwill and new highs in numbers of Christmas club accounts. • •

## 49th NABW Convention Set for New Orleans

NEW ORLEANS—More than 1,000 bank women are expected to attend the 49th annual convention of the National Association of Bank-Women Inc. here October 6-10. The convention will explore the major issues facing the financial community in the '70s. Headquarters hotel will be the Fairmont-Roosevelt.

During the convention, Mrs. Ruth Harrison, assistant vice president, Irwin Union Bank, Columbus, Ind., will assume the presidency of the association. She will succeed Miss Ruth A. Bryant, assistant vice president, Federal Reserve Bank of St. Louis, Memphis Branch.

Convention theme is "The Complete Woman Executive." Speakers include Mrs. Barbara Ann Hackman Franklin, staff assistant to President Nixon; Willis Alexander, executive vice president, ABA; Richard B. Beal, executive vice president, Foundation for Full Service Banks; Charles F. Lucien, AIB president; Mrs. Julia Montgomery Walsh, senior vice president, Ferris & Co., Washington; Mrs. Sonja Pressman Fuentes, director of legal counsel division, Equal Employment Opportunity Commission; and Miss Patricia Carbine, editorial director, *McCall's* magazine.

A special management seminar has been scheduled in advance of the convention.

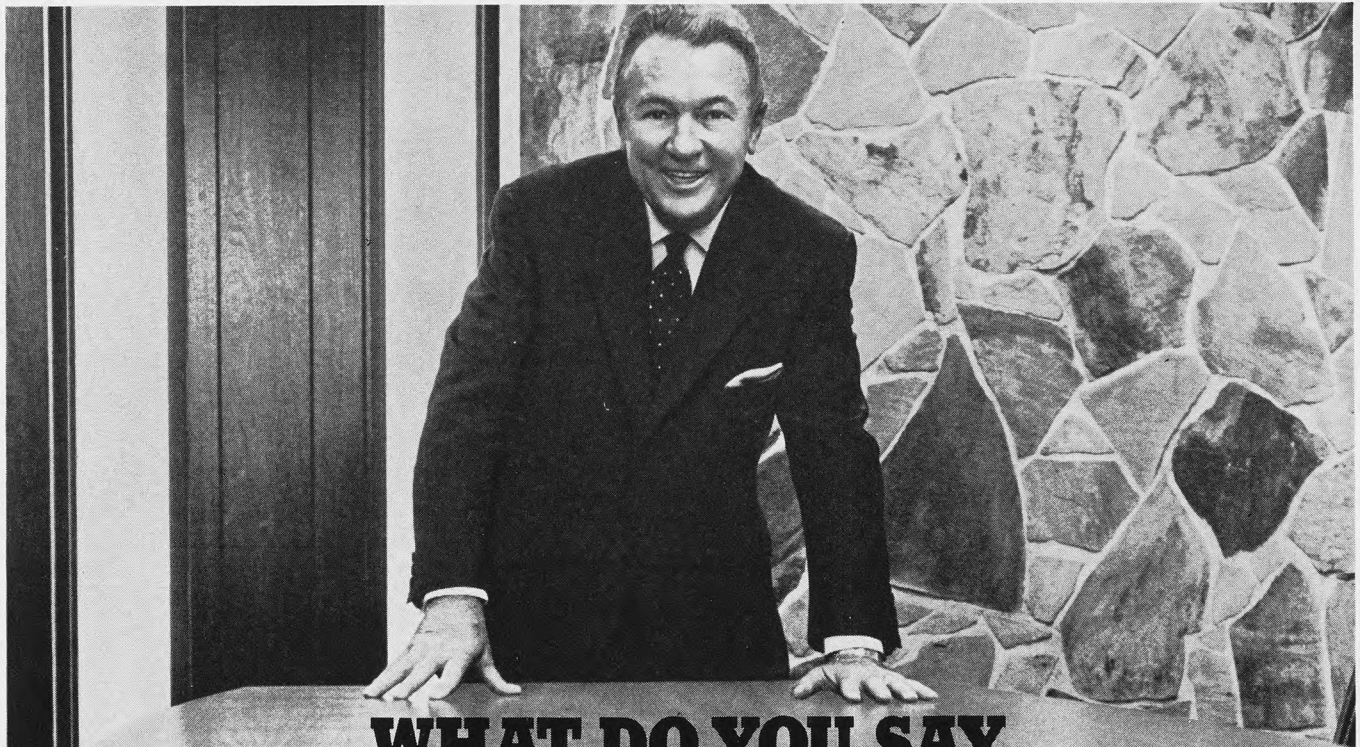


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MID-CONTINENT BANKER for September, 1971

# MINBANC

## New Investment Firm Formed by ABA and NBA To Supply Needed Capital to Minority Banks

**A**N INVESTMENT FIRM to supply needed capital to the nation's minority-owned banks has been formed by the ABA in cooperation with the National Bankers Association, trade organization of minority banks. Called Minbanc Corp., the company is a closed-end investment company with a projected capitalization of \$10 million. It will invest capital funds in the nonvoting securities of minority banks.

Minority banks are defined as those banks in which at least 50% of the ownership is held by, or are managed by, Blacks, Mexican-Americans, Puerto Ricans, American Indians, etc., or other minorities in the United States who are under-represented in the free-enterprise system.

A registration statement was filed July 21 with the Securities & Exchange Commission. Stock in the new firm—20,000 shares at \$500 a share—is being offered to the ABA's nearly 14,000 member banks.

The firm was created by the ABA's urban affairs committee and the NBA as an effective method to enable minority banks to strengthen their capital position and serve their communities better.

"Historically, minority banks have been undercapitalized because the conventional sources of funds do not exist in their communities," said William R. Hudgins, NBA president and president, Freedom National, New York City. "In recent years, this problem has become even more pronounced as many of these banks have experienced rapid growth without concurrent increases in capital. More capital is imperative if minority banks are to serve their grow-

ing markets. Minbanc is a positive answer to this unique transitional need."

Minbanc's \$10-million goal was derived from an urban affairs committee analysis of 23 minority banks that showed they are more than twice as highly leveraged as other banks of comparable size. The study showed that \$10 million would be adequate to meet the immediate capital needs of minority banks.

Thomas W. McMahon Jr., chairman of the ABA's urban affairs committee and executive vice president, Chase Manhattan, New York City, described the effort as a "precedent-setting action for private industry." He said, "We are particularly excited about this venture because it marks a real effort on the part of a single industry to address and solve a problem unique to its own industry."

### Certain Management Criteria

Minbanc will seek no voting control in the minority banks to which it supplies capital, but it may establish certain management criteria before injecting any capital to ensure that its investment objectives are met.

"Our approach to this problem was very deliberate," explained Mr. McMahon. "Both the minority bankers and we are in complete agreement that a businesslike approach is essential. Consequently, we created a profit-oriented, business corporation, rather than a nonprofit or government-supported organization. The idea springs not from charity, but from a fundamental concern with the strength of this important segment of our industry."

Only those minority-owned banks

that have been in operation at least three years are eligible for assistance. This policy has been adopted, according to ABA President Clifford C. Sommer, "because we believe it is the best interest of all to assist those institutions which have demonstrated their capacity as full service banks. Minbanc is not in the business of creating new banks." Mr. Sommer, president, Security Bank, Owatonna, Minn., described the new corporation as "an innovative answer to the urgent need to bolster an important segment of banking."

### Initial Board Named

The firm's board is comprised of distinguished retired bankers and private individuals representing minority groups. The initial board members are: Robert L. Carter, former general counsel, National Association for the Advancement of Colored People, and a member of the New York City law firm of Poletti Freidin Prashker Feldman & Gartner; James P. Hickok, former chairman, executive committee, First National, St. Louis, and former president, First Union, Inc.; Oran H. Kite, former chairman, credit policy committee, Republic National, Dallas; George Champion, former chairman, Chase Manhattan; and Louis B. Lundborg, former chairman, Bank of America, San Francisco. Membership on the board will be expanded in the near future.

Mr. Champion is chairman, president and chief executive officer, and Mr. Hickok is treasurer. Peter F. McNeish, director of urban affairs for the ABA, is executive vice president and secretary.

There are 14 advisory directors:





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NATIONAL BANK

MID-CONTINENT BANKER for September, 1971

## Minbanc Directors



ROBERT L. CARTER is a senior partner in the New York City law firm, Poletti Freidin Prashker Feldman & Gartner. He holds a Bachelor of Law degree from Howard University, Washington, D. C., and a Master's of Law from Columbia University, New York City. His career has included being an Urban Center fellow at Columbia, 1968-69; general counsel, National Association for the Advancement of Colored People, 1956-68; assistant general counsel, NAACP, 1945-56; special assistant, U. S. attorney, Southern District of New York, 1962; and director of veteran affairs, American Veterans Committee, 1948.



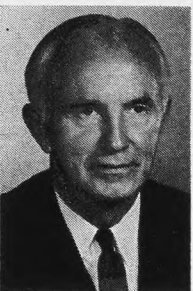
GEORGE CHAMPION retired as chairman of Chase Manhattan, N.Y.C., in 1969, but continues as a director. Mr. Champion started with National Bank of Commerce, N.Y.C., in 1926 and went to the then Chase National in 1930, when Equitable Trust, which he joined in 1929, merged with Chase. He spent two years with the old Canal Bank, New Orleans, and returned to Chase National in 1933. During his years at Chase, which merged with Bank of the Manhattan Co. in 1955, Mr. Champion's posts included heading the U. S. department. He became the bank's president in 1957 and chairman in 1961.



JAMES P. HICKOK entered banking in Hot Springs, Ark., in the 1920s, later went to St. Louis as a national bank examiner and—in 1930—was elected cashier of what is now St. Louis County National, Clayton. He was president of two St. Louis banks—Manchester Bank, 1935-43, and Manufacturers Bank, 1943-50—before joining First National, St. Louis, in 1950 as executive vice president and a director. He became president in 1957, chairman and CEO in 1962 and chairman of the executive committee in 1970, retiring from the latter post last March. He also has retired as president, First Union, Inc., parent holding company of First National.



ORAN H. KITE joined Republic National, Dallas, in 1927 and successively became assistant cashier, assistant vice president, vice president, senior vice president, executive vice president, vice chairman of the executive committee, chairman of the executive committee and chairman of the senior loan committee. He retired from the bank in 1969. Before going to Republic, Mr. Kite did part-time work in two Burkburnett, Tex., banks. He is now chairman of the credit faculty, Southwestern Graduate School of Banking, Southern Methodist University, Dallas.



LOUIS B. LUNDBORG retired last April as chairman of Bank of America and BankAmerica Corp., San Francisco, but remains on the boards of both the bank and the holding company. He entered banking at Montana National in his native Billings and went to California in 1923 to enter Stanford University. After graduating from college, he spent 22 years in positions outside of banking, including that of vice president in charge of university development at Stanford. He joined BofA in 1949 as vice president in charge of public relations. He became executive vice president in 1959 and chairman in 1965. He had been chairman of the holding company since 1969.

Lovett Baker, president, Capital National, Houston; Nathaniel Bowditch, senior vice president, First Pennsylvania Banking & Trust Co., Philadelphia; Wilmot R. Craig, president and CEO, Lincoln First Banks, Inc., Rochester, N. Y.; George H. Dixon, president, First National, Minneapolis; Richard Hill, chairman, First National, Boston; Walter E. Hoadley, executive vice president, Bank of America, San Francisco; William R. Hudgins, president, Freedom National, New York City, and NBA president;

Thomas W. McMahon Jr., executive vice president, Chase Manhattan; James E. Patrick, chairman, Valley National, Phoenix; Neil F. Roberts, vice chairman, United Bank, Denver, and executive vice president, United Banks of Colorado; Edward E. Tillmon, president, Bank of Finance, Los Angeles; Jerome D. Twomey, executive vice president, Franklin National, New York City; Norman B. Weston, executive vice president, National Bank of Detroit; and John P. Wright, president, American National, Chattanooga, Tenn.

All advisory directors are members of the ABA's urban affairs committee. The advisory board makes recommendations to the board on investment matters, but has no power to determine that any security or other investment shall be purchased or sold.

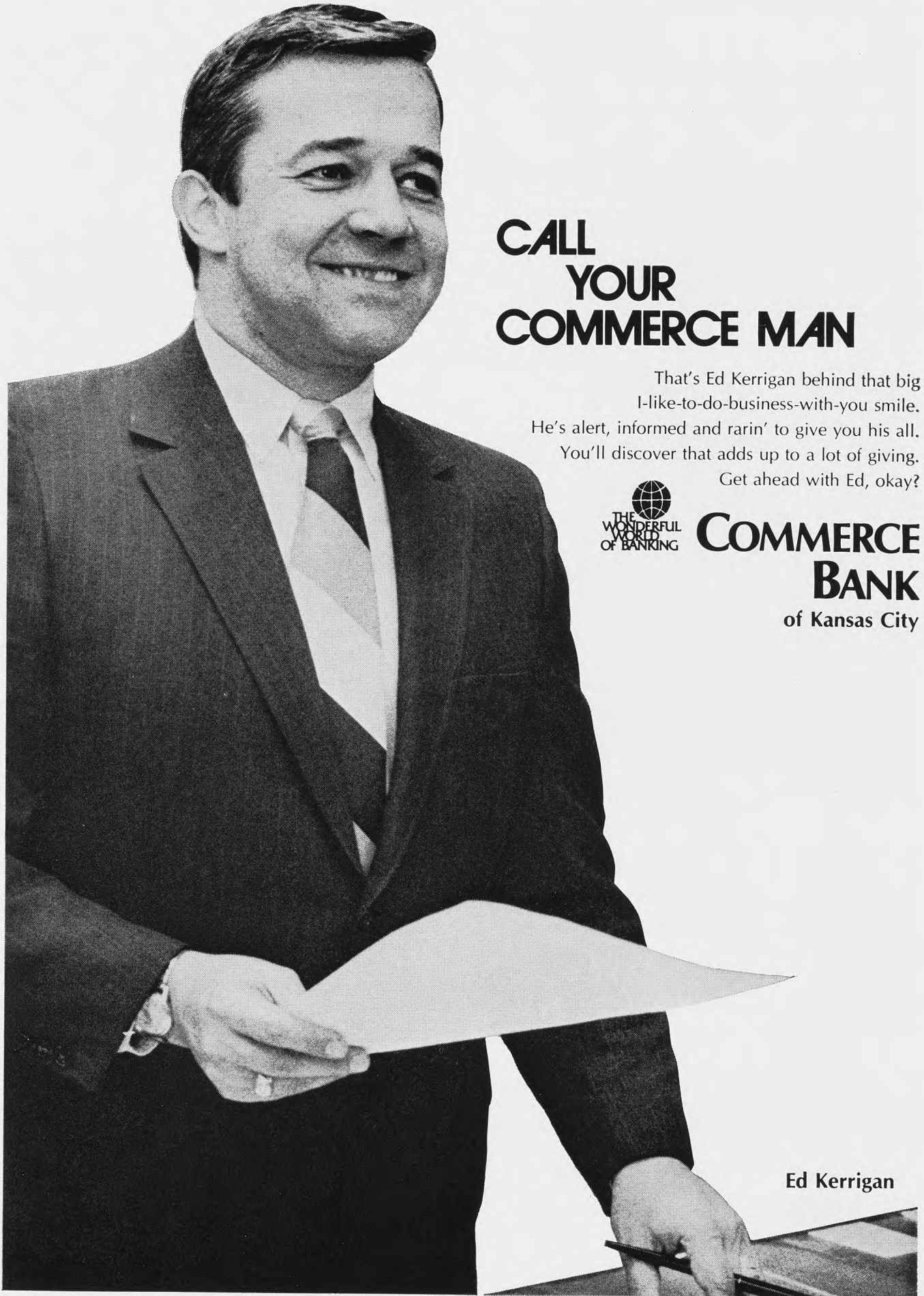
The firm's officers, directors and advisory board members serve without compensation, although they are entitled to reimbursement of out-of-pocket expenses.

Minbanc has made a limited private offering of pre-incorporation subscription rights to a small group of banks for the purpose of satisfying the minimum capital requirements of the Investment Company Act of 1940. The following—members of the urban affairs committee's executive committee—comprise these initial subscribing banks:

American National, Chattanooga; Bank of America, San Francisco; Capital National, Houston; Central National, Des Moines, Ia.; Chase Manhattan, New York City; First National, Boston; First National, Minneapolis; First National, St. Louis; Franklin National, New York City; Lincoln Rochester (N. Y.) Trust; National Bank of Detroit; Park National, Newark, O.; and United Bank of Denver.

During the firm's initial period of operation, the ABA is making some of its personnel and facilities available to Minbanc without charge for research into the capital needs of qualifying minority-owned banks and the communities they serve and for other administrative services. • •





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# The Social Responsibility of Business and Banking

## How Should It Be Met?

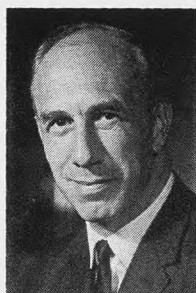
WHAT IS the social responsibility of business and how should it be met? Can business best fulfill its social responsibility by concentrating solely on decisions aimed at maximum profits?

Satisfactory answers to these questions are essential, I believe, if free enterprise and the democratic way of life are to continue in being, here or elsewhere. Consequently, I want to concern myself first with some of the technical considerations that shape the problem and that cannot be ignored in the solution, and then take a brief look at some more general aspects.

**The Problem.** The problem of the social responsibilities of business arises because we are no longer satisfied with the idea that business can fulfill its role in society simply by producing more goods and jobs in the most efficient manner.

It is true that a major function of business must be to make proper production choices. This is why some argue so strongly that our total welfare will be lowered if business stoops to consider effects of a decision other than profitability. They believe, with Adam Smith, that an "unseen hand" guides private enterprise to serve the common good when—and only when—business

*The speech on which this article is based was delivered by Governor Maisel at an award dinner given in Omaha by the Nebraska-Council Bluffs Chapter, National Conference of Christians and Jews.*



MAISEL

By **SHERMAN J. MAISEL**  
Member  
Board of Governors  
Federal Reserve System  
Washington, D. C.

is conducted on the basis of profit-maximizing decisions in a market context. I believe such a view is far too narrow.

In the first place, the narrow view is based on an incorrect generalization of the oversimplified model derived from Smith. All around us, we see many cases where the model cannot achieve the best results because it neglects important forces.

Economists, businessmen and the public are becoming increasingly aware that many activities produce what are called "externalities," byproducts whose costs (or benefits) are not fully reflected in the prices of goods and services.

These externalities can be of many types. A clear example occurs when the price of electricity generated by a smoky power plant does not reflect the cost the polluted atmosphere imposes on the surrounding community. On the opposite side, the community profits from individual plant employment, training programs, creative use of space and public benefits that arise from interacting industries. We want the golden egg that business hatches for us, but we do not want the goose to foul our nest. In fact, we want it to help clean up dirt from other sources.

As another example, it has long been recognized that the manner in which lenders approach their lending decisions can have major impacts on their communities. Decisions concerning

what products to produce or services to perform and where to carry out these activities must always be colored by uncertainty regarding the ultimate profitability of the enterprise. If businessmen and financial institutions are interested only in the quick, sure profit and disregard opportunities for equally profitable but longer-run investments, or if they avoid loans to small businesses or others that may have more than ordinary individual risks but may be profitable on the average, there is a distinct danger that the needs of the

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**"... Businessmen, and particularly bankers, must be expected to pay more attention to their function of shaping a more desirable industrial environment and community in the future. The idea that bankers and businessmen perform this proper function by seeking maximum profits in their firms is not a correct or sufficient rule to follow."**

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community will go unmet. The void created by the private sector becomes an open invitation to be filled by government investment that may well be far less efficient.

Banks are in a particularly critical position in decisions of this nature, since in the vast majority of cases they hold the key that can unlock claims on resources for a large number of would-be entrepreneurs. Furthermore, they have, by their charters, been given important duties and semi-monopoly positions to aid in implementing them. Banks are a prime example of units to

which the government has delegated a critical power (to increase the supply of money) on the assumption that they can make more efficient decisions to aid the public interest than if the government attempted to make all lending decisions itself.

Thus, it can be argued that only by fully recognizing their public responsibility, rather than adhering to a pure and immediate profit-maximizing rule of behavior, will they properly perform their part of the function of the "unseen hand."

**Improve Quality of Living.** More important than the technical problem, however, the simple profit-maximizing role appears wrong to me because it neglects the major part business can and must play in helping solve our noneconomic problems.

Many, perhaps most, of our environmental problems grow at a compound interest rate, and the question is: Where do we stand on the compound growth curve to disaster? The experts tell us we are alarmingly high on the curve. It is not important that they may not be precisely right. The point is that they are not likely to be altogether—probably not even grossly—wrong.

We can take it, then, that the problem of saving ourselves from our own ingenuity in the destruction of resources is a real one, that it must be faced currently and overcome in the reasonably near future if we are to survive and that the only choices we have are choices as to *how* we deal with the problem. *How* we deal with the problem is a matter of first importance, involving what kind of people and what kind of society we shall be in the future.

A policy of business as usual up to the swift onset of disaster is clearly just as self-defeating for business as it is for all of us. The corollary to that is a decision by business to make use of its

managerial and production skills to help avoid disaster—even at the expense of long-held notions as to what is profitable and what is not, and what is the proper separation of public and private functions.

We would be ignoring a great part of the driving force in our system if we assumed that business bears no direct responsibility for the solution to social problems and that business decisions can neglect their social impact simply because adding the social variables may appear to reduce short-run profitability or lead to investments that involve higher than usual risks, or involve considerations that are social and political more than economic.

The demands on all of us are increasing. We need the skills business can bring to these tasks. However, I think it can be concluded that any notion that business can be run in America on a pure marketplace, decision-making basis—if that was ever the case—is now beyond possibility.

However, we still have the problem of what *kind* of solution is preferable. To my mind, this is basically a question of what kind of solution is most compatible with continued operation of a system of allocation and use of our resources within the context of what we call free enterprise, because I know of no other system that allocates and uses resources more effectively.

**Parameters of Responsibility.** Let me become slightly more concrete by citing two examples from the past that I believe illustrate how we have all suffered as a result of lack of business leadership.

First, I want to examine the economically and socially vital job of restoring our inner cities to conditions that are livable for people and viable for business.

Although this example applies to lenders, I believe it throws some generally applicable light on the general

problem of the assumption by business of noneconomic responsibilities. Also, I think an example involving bank-lending policy is appropriate because, as I have noted, banks have the power—which they exercise from governmentally sheltered enclaves—to make credit available, or to withhold it, and to establish norms for judging what are and what are not acceptable credit risks. I think that in making lending decisions banks frequently may give too much weight to short-term profitability calculations and too little to long-term calculations. As a result, banks may allocate their resources so as to endanger their own long-term profitability, and also to reduce far below optimum the use of their communities' human and economic resources.

I do not suggest, and I have not seen it suggested, that business should singlehandedly take on the great social problems that concern us all and that are shaping our future. For one thing, business has no such mandate. The only mandate that exists is that given by the electorate to our elected governments—local, state and federal. But business lives and breathes in society, does its business both with and for society and cannot, in the long run, be healthier than society. So I think that good profitability analysis must lead to the conclusion that business should be directly involved in such problems as the improvement of our inner cities.

We do not have the statistical breakdowns yet from the 1970 Census, but it is obvious that many of our worst ghettos lie in our inner cities. The inner-city problem, consequently, is a problem of financing improvements where, to a substantial degree, blacks are in the majority or nearly so. Financing inner-city improvement is thus both a social and an economic problem.

Where black ownership is involved, or where chiefly black patronage is the determining market factor, it is more difficult for a loan officer—or a bank's loan committee—to determine the degree of risk and the return to be expected, because the norms in use generally are rules of thumb applying to white ownership and predominately white spending. Thus, in terms of assuring short-run profitability, it may appear easier for a bank simply to ignore decaying areas of a city where these are ghettos for lack of information, if for no other reason.

This type of analysis—plus oversimplified sociological theorizing—led to the concept that it would be most profitable for lenders to concentrate their loans in new homogeneous suburbs while red-lining major sectors of the inner city.

Many bankers must now be recon-

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SHERMAN J. MAISEL was appointed to the Board of Governors of the Federal Reserve System by President Lyndon Johnson in 1965. He is a 1939 graduate of Harvard College, where he was graduated magna cum laude and was elected to Phi Beta Kappa. He received a Ph.D. in economics from Harvard University in 1949.

Governor Maisel was an economist for the Board of Governors, 1939-41; a U. S. Army ordnance officer, 1941-45; economist and foreign service reserve officer, U. S. State Department, 1945-46; and assistant professor and then professor of business administration, University of California, 1948-65.

In addition, he has acted in the following consulting and community-service capacities: research associate and rotating chairman, Center for Real Estate and Urban Economics, University of California; economic consultant to industry and public bodies on problems of forecasting, housing, real estate and finance; vice president, Berkeley (Calif.) Unified School District, and member of advisory committees to the Federal Housing Administration, U. S. Bureau of the Census and Social Science Research Council.

Articles by Governor Maisel have appeared in publications on such subjects as "Financing Real Estate," "Fluctuations, Growth and Forecasting" and "Housebuilding in Transition."



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MID-CONTINENT BANKER for September, 1971

sidering the profitability of such action. It has helped create major social and economic problems of crime, decay and segregation. Our major cities are tottering on the brink of breakdown and bankruptcy. I think there is a valid question whether a better-considered lending policy would have been a sounder policy, not only for our cities, but for banks and banking as an institution.

I urge bankers everywhere to give much more serious attention to their long-run profitability in connection with investment in the inner city. Financing for investment to improve living conditions and to provide increasing employment in viable businesses in the inner cities is the type of financing that normally would come from banks. In assisting such investments, banks normally would establish the type of long-term business relationships as well as strength for the city that underpin profitability for decades ahead. In ignoring such investments, banks may ensure short-run profitability at the costly premium of foregone long-run profitability.

Secondly, let me return again to the problem of pollution. The causes of pollution are complex. But at bottom one finds the processes of production of goods and services attempting to ful-

fill the needs and desires of a growing population. This, in itself, is an immensely complex fact, and the results are not simple. But we can ask: Although we are worse off than might have been foreseen 30 years ago, are we worse off than we *should* have been able to foresee 20 years ago, or—to be as generous as possible—10 years ago? And for most of this period, when we have been in retreat in what we now know is a battle for survival, where was the leadership we should have expected from the business community? In the most part, it was absent. It seemed simpler, when the subject was raised of damage to the environment by industrial processes and products—such as the gasoline-fueled automobile—to point elsewhere and hope to be left alone.

Now, with the processes of environmental decay pressing on us, it becomes harder day by day to argue that a firm's responsibilities end with making a good product and a good profit. The know-how possessed by industry is needed not only to solve industry's pollution problems, but also to help solve the problem in its general aspects. To go back to what I said earlier, those who impose negative externalities on the public must recognize the impact of their actions and assist

in establishing joint standards suitable for the future. If this is not done, if the solving of our public problems becomes a battle rather than a cooperative effort, we shall all suffer.

**Conclusion.** The lesson to be drawn from these examples is that myopic attention to short-run maximization of profits may lead to serious misallocation of resources. If banks do not lengthen their investment focus, they stand to lose as businesses and institutionally. This is true for business as a whole and across the spectrum of our social problems. Within the large-scale social problem often lurks an economic cancer. It is true that business has no mandate to attempt to solve these problems on its own. But business has the mandate of very much broadened expectations of what business can do to help.

I do not think the prized ingenuity of the American entrepreneur has so degenerated that solutions preserving adequate business incentives cannot be found. This may involve acceptance of taxation and changes in costing and pricing that will affect business deeply. It may involve a closer partnership between business and government than has ever been the case in our land.

But I think businessmen, and particularly bankers, must be expected to

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pay more attention to their function of shaping a more desirable industrial environment and community in the future. The idea that bankers and businessmen perform this proper function by seeking maximum profits in their firms is not a correct or sufficient rule to follow.

I believe it is critical for business to take the lead in searching for the answer to what its social responsibilities may be, because if business does not do so, the risk arises of unacceptable answers being thrust on the business community. And, quite beyond this, lies the more pervasive fact that viable businesses cannot be operated in a society that is not viable, or one that is hostile to private enterprise as an institution.

It was a great feat for the classical economists to show that freeing individual initiative, with each seeking to maximize profits, would increase the general well being. I do not think our present experience overthrows this finding. Our specific task now is to identify those additional goals of the entrepreneur in the free-enterprise society that will properly enable him to meet the broadening of our social expectations of a higher quality of life while properly accounting for all the costs of his operations, including the cost to society. ••

## Banking Ombudsman

(Continued from page 14)

inate consumer and other paper that a bank may acquire. The "holder in due course" doctrine holds that a banker who buys such paper with no knowledge that it was generated by misrepresentation or deceit should collect from the debtor.

I support such a basic posture. There does develop, however, a situation in which some banks have bought paper originated by firms that have misrepresented, firms that have not fulfilled their contracts, firms that assume that both the buyer and seller of a lifetime dance studio program will be around for a lifetime, but don't escrow such funds. And these banks are willing to buy such installment paper at a substantial discount from its face value, a discount prudent bankers would question. A relatively few financial institutions can hurt and destroy what is basically a good, valid and effective system. The small number of instances of abuse are blown out of context to the great majority, and the whole system must suffer for those few.

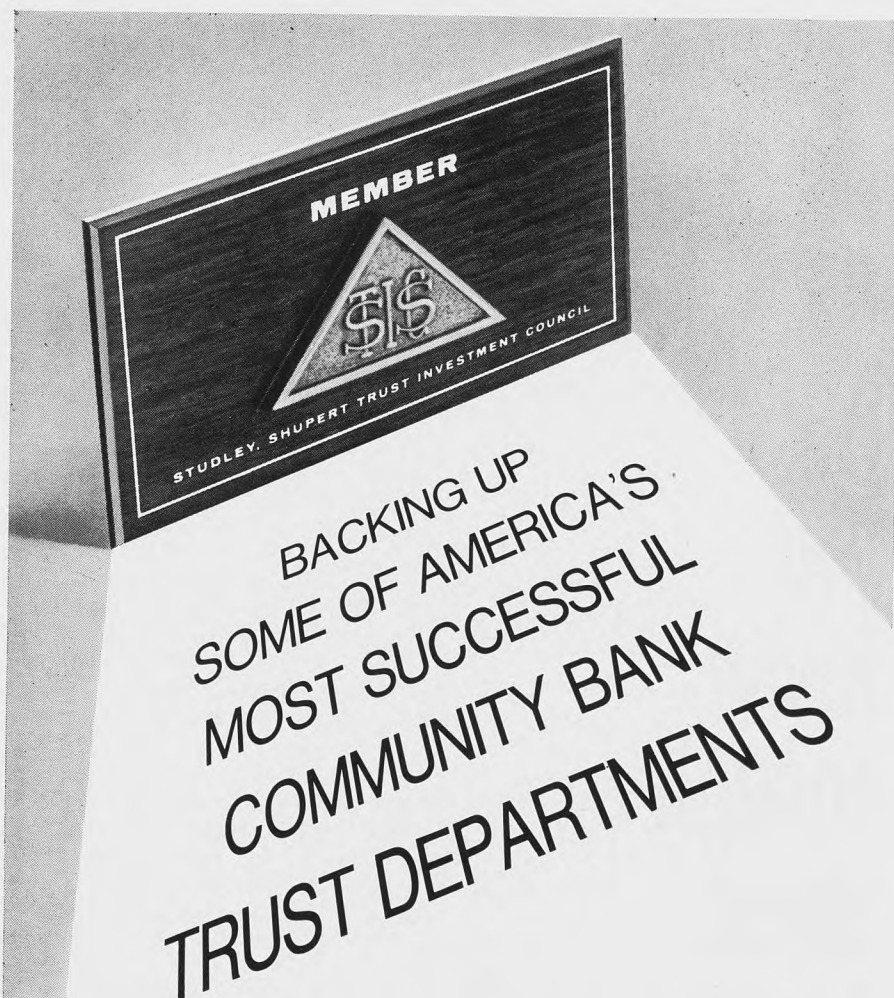
What is the answer or—probably better stated—what are some possible answers to the problem of the naive consumer who does not read the con-

tract the banker purchases? One legitimate school of thought holds that if a consumer purchases goods or a service and agrees to the terms of sale by signing a contract that the "holder in due course" should be immune from concern that the purchaser did not read the contract and/or that the seller may not have performed. This did hold in the past, but now it appears the general public will not tolerate fraud, deception and blatant misrepresentation. A banker must go beyond simply looking at the legal character of the paper. He must be *prudent* and concerned that the paper is bona fide and good not only in a legal sense, but in a social context.

*Conclusion:* Under such circumstances, a bank ombudsman would be a potent force in preserving the concept of "holder in due course." He would ensure that his bank had not transacted business with originating accounts that would not be bankable without the consumer's signature and recourse and that the banker knew the character of the originator of the paper.

There are other areas, such as computer print-out statements, that also cry out for bankers to recognize the legitimacy of consumer complaints. An ombudsman may be a partial solution to such problems.

Give it some thought. ••



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## RMA Fall Conference Set for October 24-27; Brimmer Is Keynoter

LOS ANGELES—More than 1,400 members and spouses are expected to attend the Robert Morris Associates' 57th annual Fall Conference here October 24-27.

A record number of 52 participants is scheduled for the program. Keynote speaker will be Federal Reserve Board Governor Andrew F. Brimmer. Other principal speakers include Chauncey J. Medberry III, chairman, Bank of America; Allen P. Stults, chairman, American National, Chicago, and 1971-72 ABA president; Harold M. Williams, dean of the Graduate School of Business, University of California at Los Angeles; RMA President Howard W. Rathbun, president, First National, San Jose, Calif.; and RMA president-elect Dow Ostlund, executive vice president, Valley National, Phoenix.

The program will explore the problems of commercial lending. Highlights will include a panel of CEOs discussing the banker and his social responsibilities, a panel of corporate management and bankers, a review of the results of a joint RMA-BAI study of customer profitability, mini-speeches by chief financial officers from several fields, special discussions concerning aids to customer financing and workshop discussions by several RMA national committees.

Mid-Continent-area bankers participating include S. Edgar Lauther, chairman, American Fletcher National, Indianapolis; Bernard J. Ruysser, president, Commercial National, Kansas City, Kan.; Dan W. Mitchell, senior vice president, Old National, Evansville, Ind.; Thomas F. Duffy, vice president, Northern Trust, Chicago; Edward Herbert, senior vice president, First National, Montgomery, Ala.; George E. Clark, executive vice president, Indiana National, Indianapolis; Norman I. Pickles, second vice president, Northern Trust, Chicago; and Wilford R. Pruett, chairman and president, Union Bank, Benton, Ark.

### 1971 Annual Statement Studies Now Available from RMA

Robert Morris Associates has announced that the 1971 edition of its Annual Statement Studies is now available. The book contains composite balance sheets, income statements and ratios on 262 different lines of business.

As in past editions, the main section of the study contains a composite balance sheet and income statement—along with 11 widely used ratios presented as medians and quartiles—for

each of the 262 industries. These industries are arranged in four categories: manufacturers, wholesalers, retailers and services.

In a separate section, there is additional profit and loss data for 212 of the industries. A special report on finance and small loan companies also is included.

Copies of the Annual Statement Studies are available from the RMA national office, 1432 Philadelphia National Bank Building, Philadelphia, Pa. 19107. The price is \$10 per copy to non-RMA members and \$5 per copy to members.

## Citizens & Southern National Offers Stock-Purchase Plan

ATLANTA—Citizens & Southern National has announced that customers of the bank and its affiliates soon will be able to buy C&S National stock through a regular monthly investment program. C&S is the first bank in the nation to offer this service, according to John W. McIntyre, executive vice president.

The service will be available in several months to checking account customers and C&S Interbank Charge cardholders. To participate in the stock-purchase plan, a customer will authorize an automatic monthly debit to his checking or charge account.

On the same day as the debit, the bank will purchase stock in the over-the-counter market and the stock then will be credited in full and fractional shares to the participant's account.

All stock acquired through the stock-purchase plan will automatically be subject to dividend reinvestment, a service that allows the bank to act as an agent for its stockholders to reinvest their dividends in the bank's stock.

## Banks Win Specialty Ad Awards

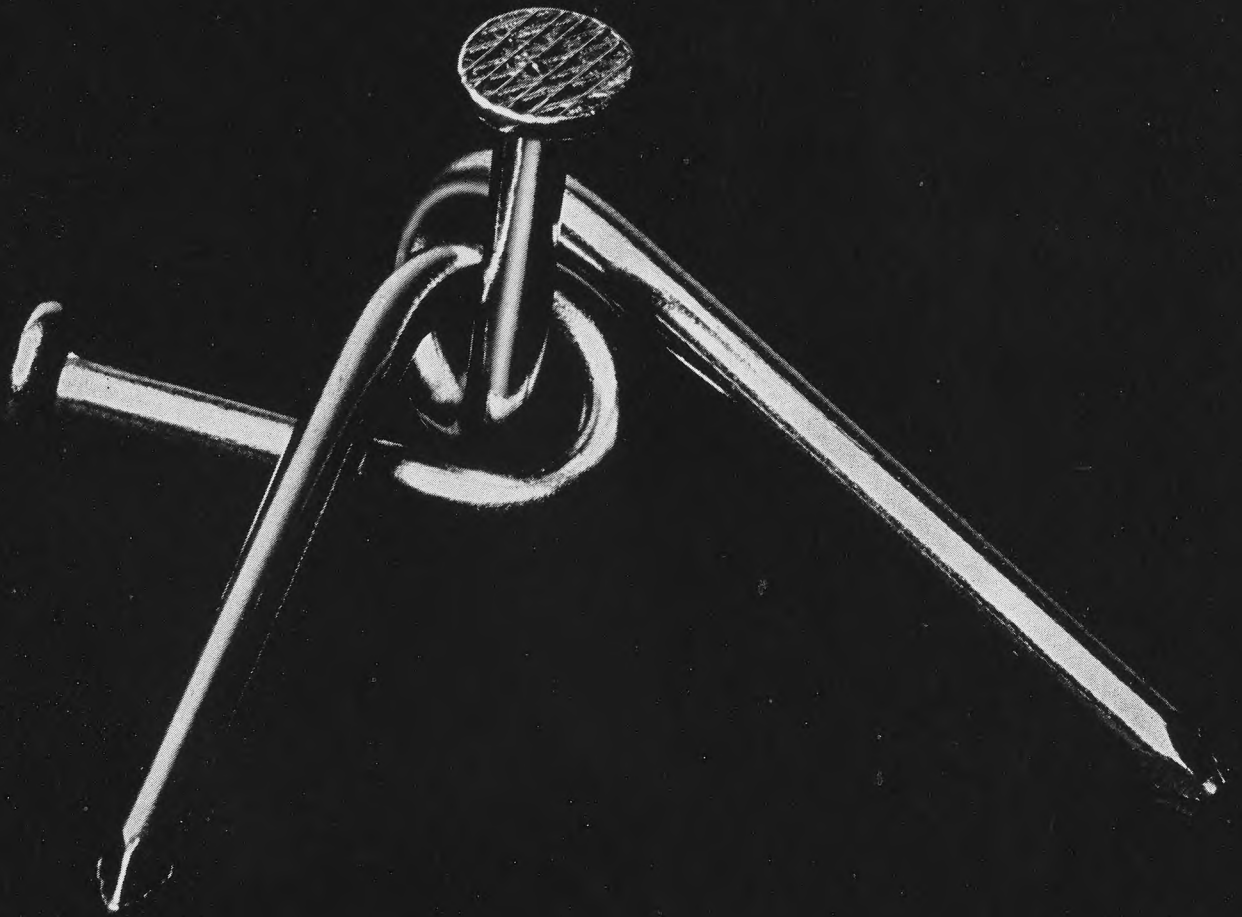
The Specialty Advertising Association has announced that several banks were among the recipients of its annual awards recognizing outstanding use of specialty advertising in business promotions.

Winner of a first place award was First National of Arizona, Phoenix. Awards of excellence were presented to Fidelity Bank, Philadelphia, and Southeast National, Orlando, Fla.

Honorable mention awards went to the following Mid-Continent-area banks: Planters Bank, Forrest City, Ark.; American Fletcher National, Indianapolis; and Greenville Avenue State, Dallas.

■ **FOURTH NATIONAL**, Tulsa, has promoted Rex L. Gruetzmacher to assistant cashier. He joined the bank in 1967.



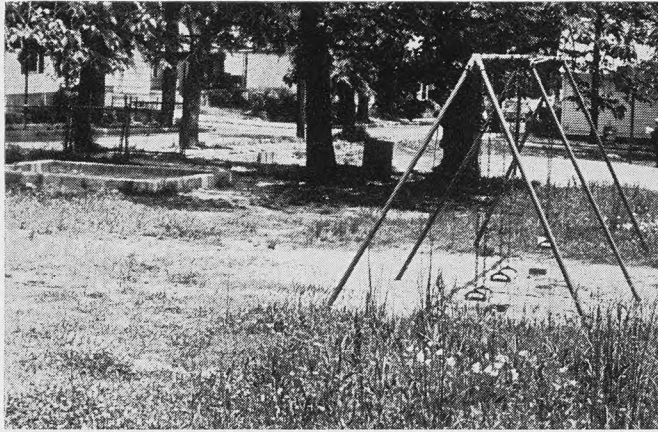


**Jack Crigger can work things out.**

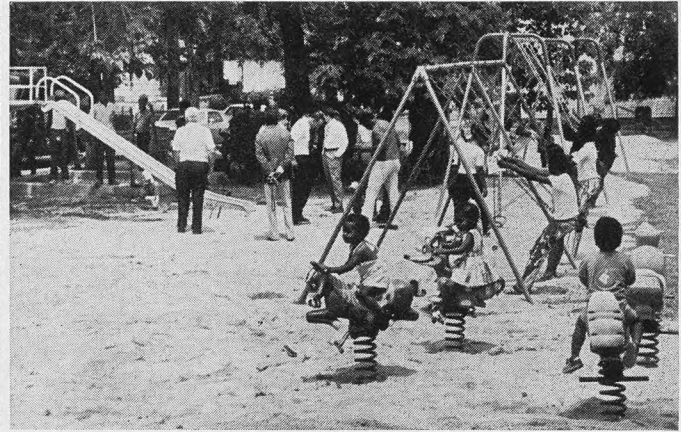
Jack Crigger, Senior Vice President  
Correspondent Banking Department

**AMERICAN  NATIONAL**

Chattanooga, Tennessee



"Spring Swing" playground improvement program, coordinated by C&S Public Affairs Department, seeks matching funds from Atlanta businesses to install playground equipment in city parks. Atlanta



Falcons football team cooperated in refurbishing one park. Before-and-after photos were taken three weeks apart. Eighty playgrounds were erected in one day in Atlanta during "Spring Swing" promotion.

## C&S Public Affairs Department Promotes State-Wide Betterment

THE C&S Public Affairs Department is the outgrowth of an effort which began in Savannah in 1968 when we organized a massive ghetto clean-up which became known as "Spring Cleaning." Volunteers were attracted from all strata: Businessmen, community volunteers, ghetto residents, students and U. S. Army personnel were all part of a weekend clean-up drive. The initial success of "Spring Cleaning" spread to all major C&S cities with repeated success. The result has been not only the clean-up of hundreds of acres of slum property, but more important, an uplifting of area residents' hopes that someone cares about their problems.

The mutual trust relationships established by the clean-up programs enabled C&S to organize the Community Development Corporation (CDC), a subsidiary keyed to minority business loans, home mortgages and low-income housing. Originally capitalized with \$1 million, the corporation's capital base has grown to \$3 million, with a track record of 114 going businesses, over 300 new homeowners and five demonstration housing developments. Only eight businesses have failed and there have been only two mortgage foreclosures.

We believe two factors have contributed to the success record. First, the CDC works without any type of government guarantees; there's no one to "bail us out" if a loan goes sour. This ties directly to the second reason: management assistance. Every effort is

By **WILLIAM J. VanLANDINGHAM**

**Executive Vice President  
Citizens & Southern National  
Atlanta**

made to assist the businessman and to lend financial and operational know-how through on-the-spot counseling. Volunteers drawn from the bank's management training pool are assigned to each business to provide assistance when requested.

Low-income housing has been a prime target for CDC. Construction of new housing units and the renovation of older units has produced over 250 additional living units throughout the

**Abundant volunteer "sweat equity" is expended during C&S coordinated spring cleaning campaigns that have resulted in massive improvements in Georgia cities.**



state. An additional 300 home mortgages have been made available to families who have never owned a home.

Until 1971, the bank's efforts were coordinated through CDC. With the advent of the Public Affairs Department, all statewide citizenship activities of the bank were brought under a much broader base. The goals are far reaching but geared to produce tangible gains within the coming year. Our objectives are:

- Develop a more effective voice in community, state and national affairs for the bank.

- Stimulate civic and political activities by informing employees, stockholders, directors and public legislators of the problems facing our community and our bank.

- Plan and carry out self-help action programs designed to uplift and improve economically the communities where we operate.

- Disseminate legislative information and maintain a practical legislative liaison.

More immediate goals will include the construction of day-care centers for working mothers as a prime target in 1971-72. Utilizing 4-A funding, we will be building centers throughout the state, stressing an educational program. One such center has already been built in Savannah, operating at full capacity of 77 children, with a large waiting list.

A program is underway in Atlanta to assist needy families. Over 40 C&S



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**The First National Bank & Trust Company of Tulsa**



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Federal Reserve Bank of St. Louis



branch offices and departments have volunteered to work with one or two families who are current case problems in the Atlanta area. The thrust of the project is to give our energies and imaginations, rather than simply pump money, into a program that strikes at a few symptoms but never reaches the causes. A few examples of how this is working includes finding better employment, budget management, locating better housing, taking children on outings, etc.

One of the most important issues to face the Atlanta voters is the up-coming referendum on the construction of a rapid transit system. Believing this to

be of crucial importance, we are working closely with local officials to promote the referendum's passage. Public speakers from the bank will carry the message to the community; a strategy team has been organized by the bank to keep employees and management informed on rapid transit and all city branch offices have been offered as voter registration sites.

The involvement in low-income housing and mortgage lending has pointed up the need for education among new homeowners. Recognizing this, we are preparing a "homeowner's booklet" specifically aimed at new low-income homeowners. Instructions are

included to educate the owner about taxes, homestead exemption, insurance, heating, cooling, housekeeping, repairing, purchase of appliances, etc. The booklet was compiled after contact with various city and private social agencies. Distribution will be widespread throughout the state.

To supplement "Spring Cleaning," we developed an array of ideas in 1971 to tackle problems in major Georgia cities. The focal point of this year's efforts was the development of over 150 playgrounds throughout the state. Working in conjunction with community groups and local government, these playgrounds were constructed in *one day* in Atlanta, Savannah, Augusta, Valdosta, LaGrange, Athens, Dublin and Newnan. The bank matched local "sweat equity" and dollars with some of its own dollars to make this possible. In Atlanta alone, over 80 playgrounds were erected in one day, utilizing over 5,000 volunteers.

Other 1971 projects underway include "Project Smile" in Macon, which is providing mobile dental facilities manned by volunteer dentists, nurses and hygienists. In Albany, where 22 playgrounds were built last year, this year's goal is three modular neighborhood libraries. A remedial reading program is also underway, keyed to school-aged children.

Plans for the future encompass the promotion of an economic education program in Georgia's high schools, an in-depth look at sex education, use of "strategy teams" within the bank to key in on certain issues and the compilation of files and legislative issues, candidates and office holders. Other issues will be studied and new methods developed to effect needed changes and innovation.

The direction of new efforts will be determined as problems arise. As C&S Vice Chairman Mills Lane has stated, "The utterly magnificent characteristic of the American incentive system—free enterprise, if you like—is its ability to meet change. This flexibility continues to be the real reason for its survival and for its future." • •

■ NEW YORK—First National City has named William Hay and Raymond O. Young vice presidents. Mr. Hay is a senior portfolio manager and unit head in the employee benefit funds department, institutional investment division, investment management group. Mr. Young is in the credit policy area and assists the credit policy committee.

■ NEW YORK—John A. Farnsworth, William C. Pierce, Robert L. Thornton III, Warren T. Upson, Royall Victor III and Robert A. McBride have been advanced from assistant vice presidents to vice presidents at Chemical Bank.

# BANK DIRECTORS

The financial scene offers you a special challenge today and it takes a lot of effort to keep up. The Assembly for Bank Directors is your way to keep up! The four-day gathering of banking's top talent can be your guide to greater understanding of the complex responsibility that is yours. You will gain insight into today's critical financial issues; learn how to serve your bank and your community better; increase your understanding of your bank's management. Needless to say, you and your bank will profit immeasurably. That's why so many bank directors have praised The Assemblies for Bank Directors. K. A. Randall, former FDIC chairman, describes the Assembly as "summum bonum, the supreme or highest good, as far as better banking is concerned." Three Assemblies now are scheduled:

**El Conquistador, Las Croabas, Puerto Rico  
November 4-7, 1971**

**The Riviera, Palm Springs, California  
February 18-21, 1972**

**The Broadmoor, Colorado Springs, Colorado  
September 2-5, 1972**

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## 'Action Marketing' Is Theme Of BMA's 56th Convention

**B**ANK MARKETING Association's 56th annual convention is billed as "action marketing packed into 44 programs with 75 speakers in three 11-hour days."

The convention will be held at the Americana Hotel, New York City, September 26-30. Approximately 2,000 marketing specialists from the U. S., Canada and Europe are expected to attend. Convention chairman is Buell G. Duncan, senior vice president, First National, Orlando, Fla., and BMA vice president.

The program consists of eight categories: dawn-duster sessions beginning at 7 a.m., featuring continental breakfast and discussions about technical and specialized subjects; general sessions at 9 a.m. each morning, featuring well-known speakers; departmental sessions (seven each day) designed to provide current information on special interest areas; workshops (six daily) where concrete problems of bank marketing will be discussed, with expert advice sought and given; "rap" sessions, informal gatherings for exchanges of ideas; the association business meeting; a banquet with entertainment; and a day of tours of New York City.

Speakers at the three general sessions will be Robert Townsend, author of "Up the Organization"; William Bernbach, chairman, Doyle Dane Bernbach Advertising Agency; and Franklin A. Thomas, director, First National City, New York, and president, Bedford

Stuyvesant Restoration Corp. Mr. Townsend's subject will be "Further Up the Organization." Mr. Bernbach's topic will be "The Unchanging World." Mr. Thomas will speak on "Bedford Stuyvesant: An Experiment That's Working."

Topics to be covered by dawn-duster sessions include "Applications of the 1970 Census Data," "How to Live Without a Checking Account," and "Beyond Psychographics."

Each departmental will present three daily sessions, with each session repeated once. The departmentals will cover automation, advertising and sales promotion, product development, public affairs, planning, research, sales development and bank holding companies.

The automation departmental will include the following talks: "How a Smaller Bank Uses Logic in Selecting and Selling Profitable Automated Customer Services," "How to Train Bankers to Sell and Install Automated Customer Services," "How to Use the 1970 Census of Population in Developing New Business for Your Bank" and "How to Build a Customer Information File and Use It as a Base for Making Marketing Decisions."

The advertising and sales promotion departmental will present the following talks: "If I Were a Bank Advertising Officer—Again," "If I Were a Bank Advertising Officer—Ever," "Direct Mail Programs—Some Winners, Some Losers," "Marketing Trust Services

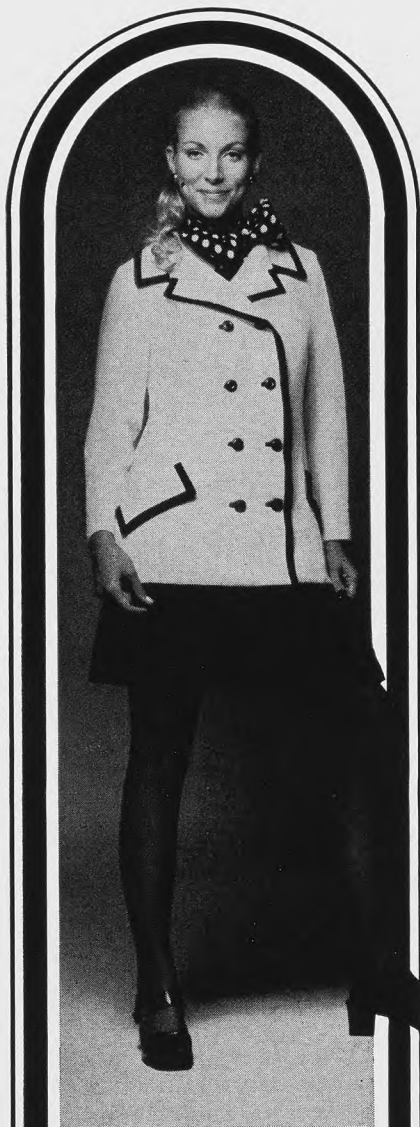
Through Direct Mail," and "Trust Image Projection Through Advertising."

The product development departmental will discuss "The Payments System: What Now, Coach!" "Savings in the 'Reg Q-less' Society," "Trust Services: Discovering and Reaching the Market," "Personal Financial Planning: A Challenging Opportunity," "Money Engineering: the Key to Corporate Banking" and "If You Don't Know Where You're Going, Any Road Will Take You There."

The public affairs departmental will feature "The Role of Marketing in Public Affairs," "When's the Last Time You Did Some Marketing With Your Legislators?" "A Cooperative Approach to Providing Consumer Counseling—How It Has Helped Thousands of Atlanta Families," "Consumers Speak Out on Consumerism," "Ghetto Banking: A Bold Experiment" and "A Round-Up and Review of Environmental Financing Plans by Banks."

Topics at the planning departmental will include "The Trust Marketing Plan—Evolutionary, Not Revolutionary," "Factors Affecting Marketing Planning in Larger Banks," "Marketing Planning in Smaller Banks," "Advertising Campaign Planning for Smaller Banks—How to Make Your Advertising Pay," "The Basics of Marketing Planning" and "Computer Models That Can Aid Bank Planning."

The research departmental will feature "Bank Marketing Intelligence," "Savings—I've Got to Be Me" and



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"Researching Two Important Aspects of Savings Marketing."

The sales development departmental will cover "New Sales Training Techniques," "Marketing Our Trust Investment Image" and "Developing Sales in Suburbia."

The special bank holding company departmental will include "Handling Public Affairs Within a Multi-Bank Holding Company," "Creating a Public Relations Program for a New Multi-Bank Holding Company" and "Coordinated Advertising and Design Within a Multi-Bank Holding Company."

Six daily concurrent workshop sessions will include "Getting More Bank for Your Ad Buck," "Correspondent Relationships and Marketing," "Autonomy? What's That Mean When You're in a Holding Company?" "Rehab and Design of Bank Services—Guideposts to Profitability," "Branching Problems? Present Branches Profitable? Try Market Planning! Question Experts in This Specialty!" "Direct Response Marketing—the Measurable Media," "Charge Cards—the Shift From Sell, Sell, Sell to Consumer Education," "Selling Is an Attitude in Banking," "The Sensuous Bank," "Our Public Image? Who Cares What They Think!" "Radio—More Powerful Than Ever," "Public Affairs—Banking's Social Obligation—In Conflict or Conjunction With Its Economic Obligation?" "Style—a Function of Marketing," "Profitable Problems We Haven't Solved—Yet!" and "Getting Marketing Into the System."

A special trust workshop session will discuss "An Annual Trust Marketing Plan?" "Segmentation of Trust Prospects" and "Marketing Our Trust Investment Image."

Mid-Continent-area bankers participating on the program include Barksdale Roberts, vice president, First National, Louisville; Stephen T. Arnold, advertising manager, Hubbard O. Page, senior marketing analyst, and James P. Kovach, marketing manager, trust department—all with Continental Illinois National, Chicago; Curtis H. Giles, assistant vice president, St. Louis County National, Clayton, Mo.; George Dodd, executive vice president, Old Orchard Bank, Skokie, Ill.; Lawrence Quigley, assistant vice president, First National, St. Louis; Robert E. Tripp, vice president, First National, Dallas; and James Coorseen, vice president, Kentucky Trust, Louisville.

Current BMA officers are Edward C. Boldt, who recently resigned as senior vice president, Central National, Cleveland, BMA president; Buell G. Duncan Jr., senior vice president, First National, Orlando, Fla., first vice president; William N. Flory, vice president,

marketing services division, Harris Trust, Chicago, second vice president; and Richard K. Frey, executive vice president, Lake Shore National, Chicago, treasurer. • •

## Training Tellers

(Continued from page 26)

5. If you do not know the passer personally, be sure he furnishes suitable identification. Do not accept as identification a social security account number card or metal plate; such a card or plate bearing the name of the payee of the check can easily be secured by the thief. Do not accept as identification ordinary printed identification cards, such as those found in wallets, or other papers and cards that can easily be obtained by the thief and filled in with the name appearing on the check he desires to cash. Do not accept as identification other mail addressed to the payee. This mail may have been stolen at the same time as the letter containing the check.

6. Write on the reverse side of the check the circumstances that induced you to cash it. If you cashed the check as a result of identification items shown, describe each in detail. If the passer has a car, record the plate number.

7. If more than one employee in your establishment is authorized to cash checks, have each employee place his initials on the reverse side of any check he cashes. This practice will induce your employees to be more cautious and will enable you to determine which employee can possibly furnish information concerning the passer.

8. Do not return check to passer after you have signed or initialed it. The passer may make a copy of your signature or initials to reproduce later on stolen checks, thus enabling him to cash these checks without your knowledge.

9. Remember you will not be reimbursed for the check simply because it was issued by a government, state or city agency or by a reputable firm. If the payee signs an affidavit stating he did not sign the check or authorize anyone else to sign it and that he did not participate in the proceeds, the check will be returned to you unpaid regardless of the maker. • •

■ NEW YORK—William T. Herndon and Tarrant Putnam have been named vice presidents of First National City. Mr. Herndon is responsible for the payment system division. Mr. Putnam is with the information systems and electronics department in the corporate banking group.



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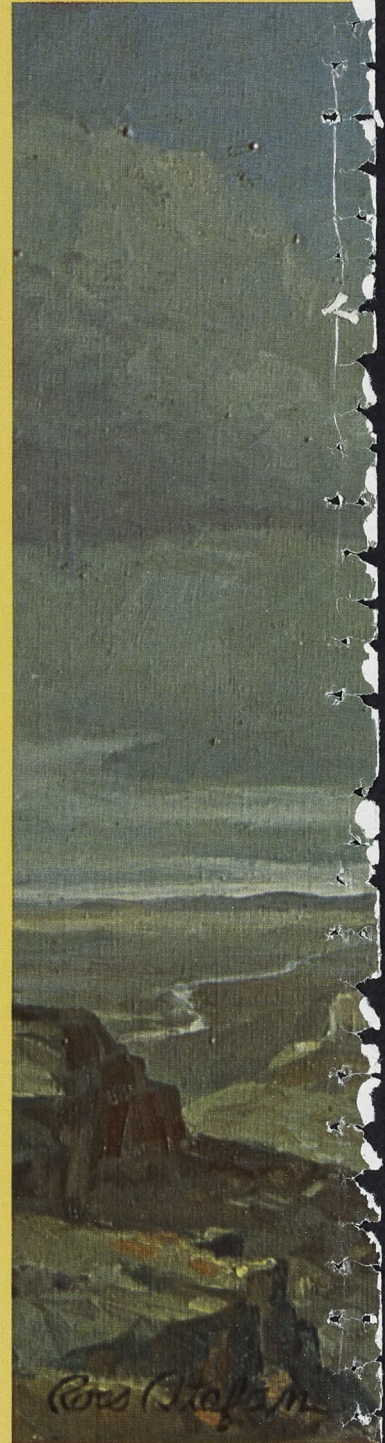


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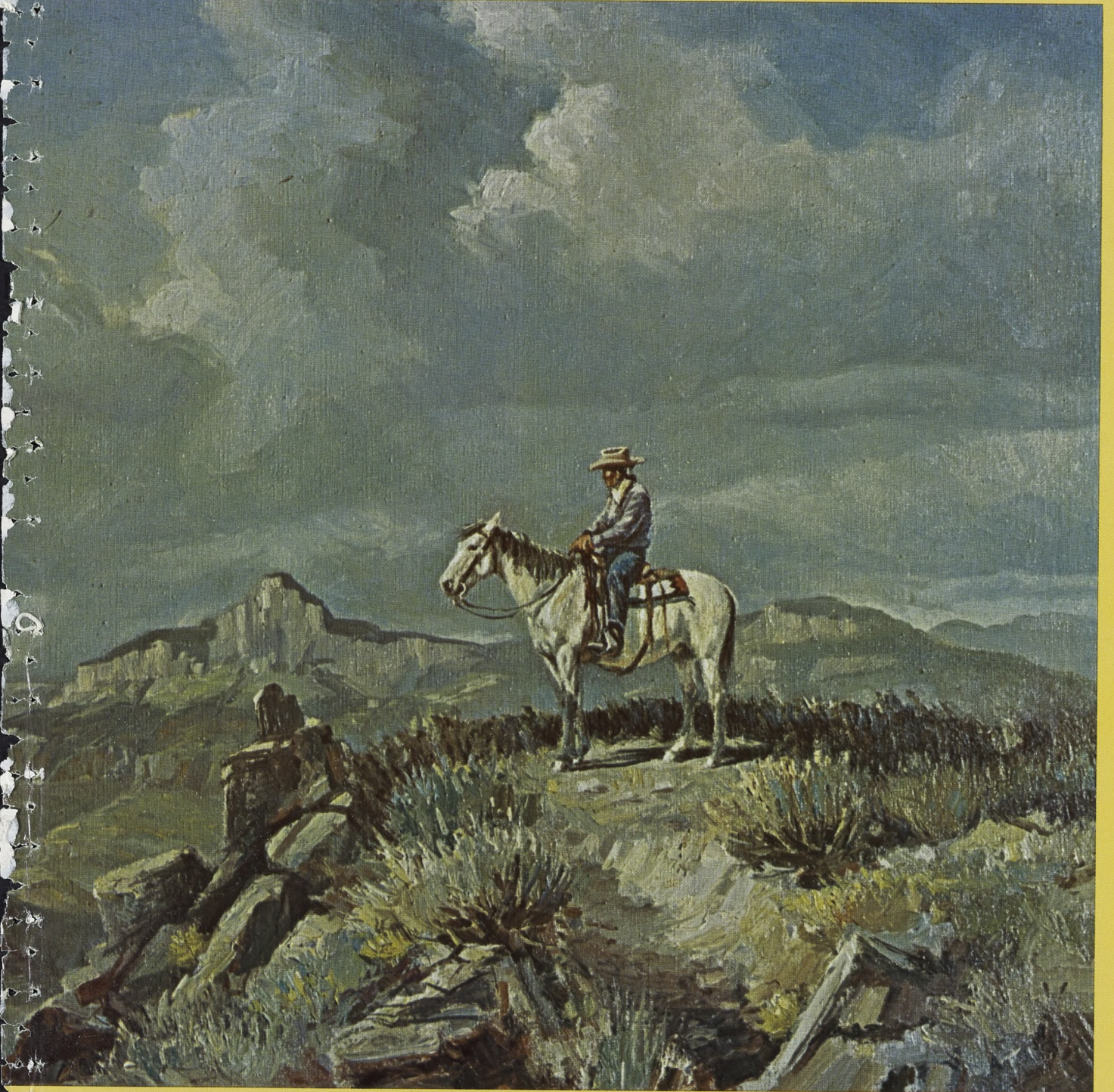
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"Watcher on the Heights," from the collection of J. T. Suggs, by Ross Stefan, painter of Western scenes for Crest Gallery, Dallas.

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- **Nov. 29-Dec. 2** . . . . . in Chicago
- **January 17-20** . . . . . in St. Petersburg
- **January 24-27** . . . . . in Chicago
- **February 7-10** . . . . . in New York
- **Feb. 28-March 2** . . . . . in Los Angeles
- **March 13-16** . . . . . in Houston
- **March 20-23** . . . . . in Chicago

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# Banks' Billing Practices With Charge Cardholders Bring Class-Action Suits

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**C**LASS-ACTION SUITS against banks for their credit-card billing practices are beginning to surface in various parts of the country. The most recent were three filed last month against six Alabama banks by a labor organization on behalf of BankAmericard and Master Charge cardholders. Earlier this summer, two suits were filed against First National of Chicago; and 35 Ohio banks were named in a suit.

Last June, New York City's Chemical Bank was found guilty by a federal district court judge of violating the Consumer Credit Protection Act of 1968 (Truth-in-Lending) by allegedly failing to disclose the "nominal percentage rate" or finance charge on its Master Charge statements from July to December, 1969. That suit was filed in September, 1969.

In *Alabama*, the plaintiff in all three suits is the Alabama Labor Council, AFL-CIO. The defendants are First National, Montgomery; Birmingham Trust and First National, Birmingham; State National, Huntsville; and American National and First National, Mobile.

The suits seek to force the banks to refund more than \$10 million from alleged overcharges on interest charged cardholders. According to Alabama AFL-CIO President Barney Weeks, 8% a year is the maximum legal rate of interest in the state, but credit cardholders are being charged 18%. He contends that this charge is usurious. The suits, brought by 20 persons, were filed in U. S. district courts in Montgomery, Mobile and Birmingham.

J. Allen Reynolds Jr., executive vice president, First of Montgomery, made this comment on the action, "We have been served with a summons and complaint alleging improper BankAmericard interest rates. Our answer will be made through the proper legal channels, and we are confident the court will find that our rates are within the limits allowed by law."

Guy H. Caffey Jr., president, Birmingham Trust, said that his bank's BankAmericard plan has been working within the legal limits of the state's small loan act and credit union act. He

contended that the interest charged definitely is not usurious.

C. W. Nelson, president of State National, Huntsville, said, "Our Master Charge operations are conducted in strict conformity with both the federal and state laws. The interest charges are not usurious in any way. In fact, we charge the same or less than department stores, oil companies and other credit card issuers."

In *Chicago*, the two suits against First National were brought in the U. S. district court by two Northwestern University law professors. One suit, filed on behalf of Thomas L. Eovaldi, an associate professor of law, alleges that the bank violated the Truth-in-Lending Act in not sending out a billing statement last April. A bank spokesman said that although it was the bank's practice to send monthly billing statements to all cardholders, it omitted the April bill in order to permit a computer changeover to a new billing cycle that would be beneficial to cardholders.

According to Mr. Eovaldi, the bank used an improper and misleading form to notify cardholders and, as a result, he missed the opportunity to make an April payment that would have reduced the interest charges on his account.

The other suit, filed on behalf of Steven Goldman, an assistant law professor, alleges that his payment of \$79.04 was not timely credited to his account. First of Chicago denied this charge, maintaining that the payment was properly credited.

In the Goldman suit, the bank is accused of failing to deduct a payment on Mr. Goldman's account before adding a \$1.19 finance charge, which represented a 1.5% interest rate on the unpaid balance of \$79.04. The suit further charges that the bank "failed in connection with this consumer credit transaction to disclose in its periodic statement" information required under Regulation Z. This regulation requires disclosure of "the balance on which the finance charge was computed and a statement of how that balance was determined. If the balance is determined without first deducting all credits dur-

ing the billing cycle, that fact and the amount of such credits shall also be disclosed."

According to Mr. Goldman, the bank received his \$79.04 check covering the balance on his account on March 9—a day after the next periodic billing date, but First National did not credit "plaintiff's account with payment as of March 9, but instead charged on its next periodic statement plaintiff's account as if said payment had not been received" on that date.

The Eovaldi suit alleges that the bank failed to "clearly and conspicuously" notify customers concerning its April action in a form First National enclosed with its March statements. On one side of the form was a BankAmericard tie-in promotion for a Chicago firm and on the reverse side "at the very bottom of this advertisement in very small print, the form said 'see important notice on reverse.'" The notice read, "Important notice from BankAmericard: You will receive no April statement from BankAmericard.

"In an effort to improve our service to our cardholders, we are changing our billing system during the month of April. This, combined with other changes to be made in July, should decrease the time it takes for us to send the billing statements to you.

"To thank you for your patience, merchandise purchases and cash advances during this 'no-billing period' will be free of finance charges until billed in May. Also, most customers will receive more than the normal 25-day period in which to pay.

"Your next statement will be mailed during May according to the schedule shown and you will receive it during May or June.

"If you wish to make more than one payment before your next billing date in May, you must return this card with your payment. List your account number on your check.

"During this 'no-billing period,' finance charges will continue to accrue on the 'finance-charge balance' appearing on the enclosed March statement."

In his suit, Mr. Eovaldi contends that he "did not see, read nor was he aware of the defendant's notice on the reverse side" of the bank's enclosure "and, accordingly, he did not exercise his option contained therein to mail in said form so as to receive the opportunity to make the April, 1971, payment which would have reduced the interest charges accruing on plaintiff's account."

First National has estimated that if the Eovaldi class-action suit is supportable, damages amounting to about \$17 million could be awarded to 170,000 BankAmericard holders.

In *Cleveland*, attorneys representing

Master Charge cardholders filed suit in federal district court charging issuers of the cards with violation of federal Truth-in-Lending regulations. Defendants include 35 banks.

The suit seeks damages that, although not specifically determined, could exceed \$10 million. The suit charges that the monthly statements issued to cardholders are in violation of Federal Reserve regulations specifying disclosure requirements for open-end credit issuers.

The statements have a blank in the extreme lower right corner for the minimum budgeted payment if the customer wishes to repay over a period of time. This blank has a red arrow pointing to it and in red type the words "pay this amount." The suit contends that such a format encourages the customer to pay the monthly payment and incur finance charges instead of paying the full amount of his purchases and thus avoiding finance charges.

There is another blank on the form with the balance due and a statement in small black type: "To avoid additional finance charges (if no cash advance balance), pay the combined new balance by" above a date 25 days following issuance of the statement. The suit alleges that this statement and the balance due are less obvious and more

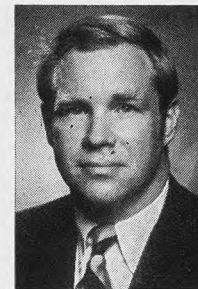
difficult for the average customer to find than the red-indexed monthly payment. Federal regulations specify that forms be prepared to present in clear and meaningful sequence certain information, including the amount to be paid to avoid finance charges, said Alan Arnold, one of the two Cleveland lawyers who filed the suit on behalf of the Master Charge cardholders.

A spokesman for one of the defendants said that the Truth-in-Lending regulations contain so many requirements, it is difficult, if not impossible, to comply with all of them. Banks issuing credit cards originally were concerned, he continued, that the customer know the minimum he must pay to avoid getting into trouble or defaulting on his credit terms. Currently, he said, the regulations are being interpreted by some as requiring that the amount to be paid to avoid any finance charge be highlighted, instead of the amount that must be paid to merely comply with terms of the credit arrangement. • •

■ NEW YORK—William R. Hinchman Jr. and Anthony P. Terracciano have been named senior vice presidents in Chase Manhattan Bank's human resources department. Both formerly were vice presidents.

### Sterling Elected Sr. Vice Pres. Of Capital National, Houston

HOUSTON—Peter D. Sterling has been elected senior vice president of Capital National. Formerly a vice president of Bank of New York, New York City, Mr. Sterling directed corporate and correspondent banking relations throughout the Midwest, Southwest and West Coast.



STERLING

Mr. Sterling began his banking career as a management trainee with First National City Bank, New York City. He is a former assistant vice president of Empire Trust, which merged with Bank of New York.

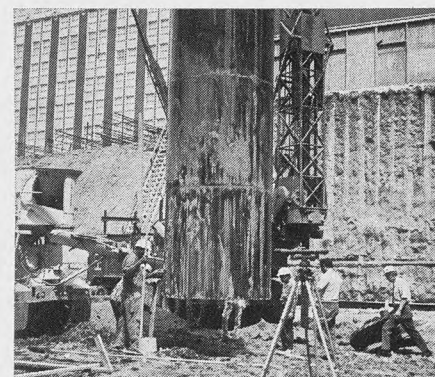
■ NEW YORK—Three new vice presidents have been named at First National City—Charles J. Craig, George J. Martin and Charles A. Wetzel.

### First of Tulsa Begins Phase Two Of Construction on New Tower

TULSA—Primary excavation and construction of support footings have been completed in the first phase of work on First National's new 41-story tower complex. Phase two of the two-year operation is underway and crews now are constructing exterior foundation walls and elevator pits.

The \$20-million complex, to be known as "First Place," is scheduled for completion in December of 1973. The new structure will combine with the existing 20-story First National Building, providing tenants at those levels full floor space of 16,000 square feet.

When completed, the building will feature a landscaped pedestrian plaza, public auditorium, specialized shopping areas and office space for more than 3,000 persons.



Construction crew places a steel foundation in one of 103 pier footings built to support First of Tulsa's new "First Place" complex. The \$20-million building is scheduled for completion in 1973.

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This important book was developed by the editor of The BANK BOARD Letter to provide means for directors of state-chartered banks to bring their operations up-to-date. It was developed in recognition of several new trends in business and society—trends involving an increased sensitivity of the public in the area of conflicts-of-interest; greater concern for the rights of minorities; greater demand for fuller disclosure—not only interest rates but financial statements; data on control and ownership and of related business interests, including voting of trust-held securities.

The "Bank Shareholders' Meeting Model" is also helpful in updating annual shareholders' meetings at a time when stockholders are becoming more insistent on receiving meaningful information at annual meetings and in annual reports.

In addition, this book provides a means for state bank directors to modify procedures to bring their banks into compliance with current state banking

statutes and regulations. The book is a valuable, modern frame of reference, easily adaptable to state-chartered-bank needs. Its use can result in economies and efficiencies for banks.

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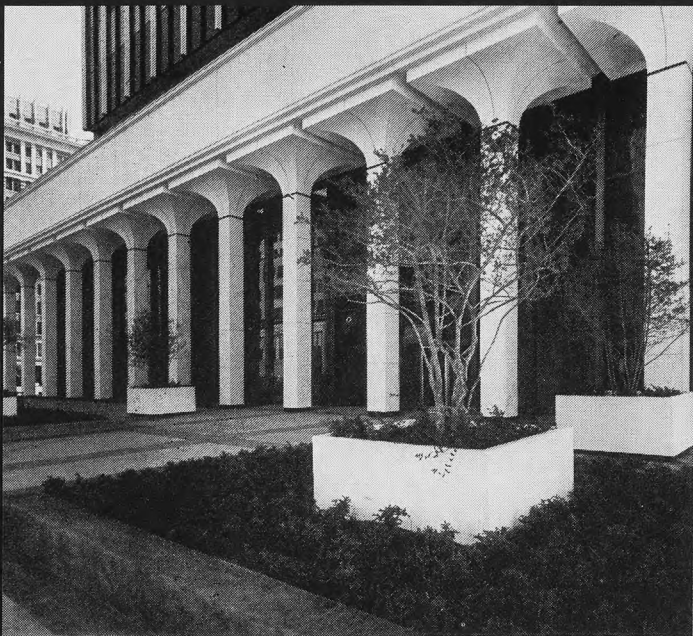
capital increase; application for stock dividend; certificate of payment of additional common stock; certificate of conversion of capital notes; certificate of payment for capital debentures; certificate of payment for preferred stock; certification of declaration of stock dividend; joint oath of directors; and much more.

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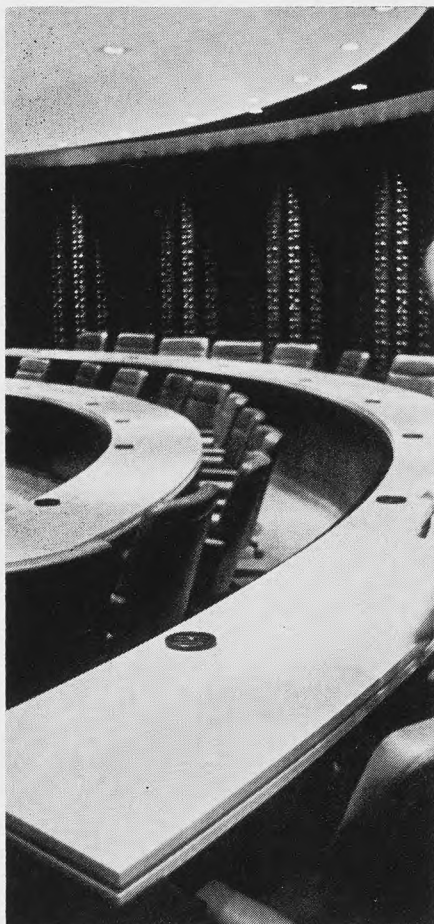
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Left: Main entrance to Liberty Tower features stately columns and colorful plantings. Right: Field of flags waves before \$22-million, 36-story Liberty Tower, home of Liberty National.

In Oklahoma City

# Liberty National to Show Tower Building At Three-Purpose Party Next Month



Liberty National directors' room features curved marble desks.

**I**N OCTOBER the banking community will get a good closeup look at what has been described as one of the most unusual new banking houses in Mid-America.

That's when Liberty, the Bank of Mid-America, climaxes its opening festivities in its new Liberty Tower quarters in Oklahoma City by hosting a triple-purpose party for bankers.

The affair, beginning with an "early bird" party Thursday, October 14, and concluding with a brunch Saturday morning, will be an open house showing of Liberty's new bank building, a correspondent conference and an all-

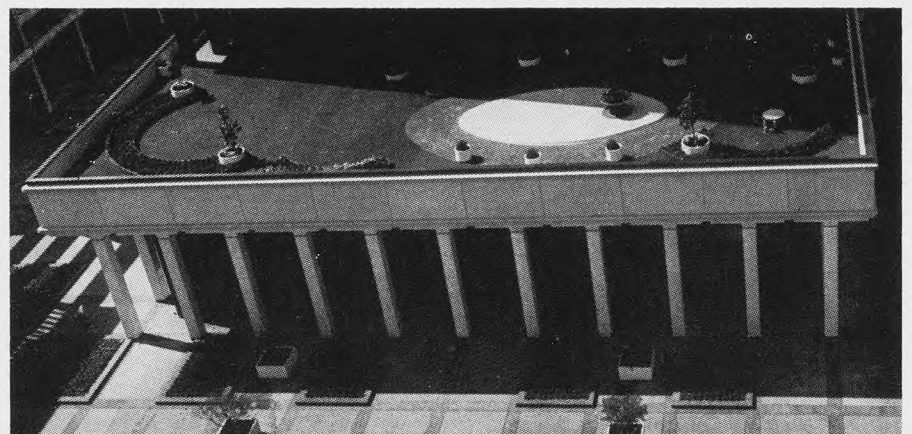
aboard party for the ABA convention all mixed into one.

In the interest of conserving correspondents' time and travel, Liberty combined these functions this year, moving the correspondent conference back from its usual December date to coordinate it with the earlier affair.

With a theme "Where Is Banking?" introduced by J. W. McLean, chairman and chief executive officer, the correspondent conference will occupy the day Friday, October 15, from 9 a.m. through an evening dinner and dancing affair.

A tour of Liberty's new banking

Third-floor terrace of Liberty Tower features astro turf putting green, plantings and sculpture.





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MID-CONTINENT BANKER for September, 1971

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facilities will precede the dinner affair. The tour will take guests through the main banking lobby, the second floor commercial loan department, the concourse with its security center and the executive offices on the bank's third floor.

A visit to the correspondent department on the fourth floor will be included, with the tour ending on the third-floor terrace, where cocktails will be served.

The correspondent conference program will again feature Dr. Paul S. Nadler with an address titled "Where Is the Economy?" Dr. Nadler will also moderate a panel on "Current Banking Questions," which will feature panel members, Joseph W. Barr, president, American Security, Washington, D.C.; George H. Clay, president, Federal Reserve, Kansas City; Ben D. Floyd Jr., president, Fourth National, Tulsa; and Edward L. Palmer, chairman of the executive committee, First National City, New York City.

A featured speaker during the day's program will be Edward F. Gee, chairman, United Virginia Bank/State Planters, Richmond. His topic will be "Constructive Lending in Constructive Times."

Women attending will be invited to join their husbands for the conference luncheon, which will be addressed by Dr. Otis A. Maxfield, director of train-

ing, American Foundation of Religion and Psychiatry, New York City. Dr. Maxfield spoke at last year's Liberty conference and was so well received he was immediately invited to return this year.

Other special women's activities will include a morning tour of Oklahoma City and an afternoon theater presentation of "Everybody Loves Opal" by the Jewel Box Players. The play will be presented in Oklahoma City's unusual Mummies Theater.

Banker guests will have an opportunity for golf or other recreation during the afternoon of the conference day. On Saturday morning, Liberty will be serving brunch from 8 to 11 a.m. prior to departure of delegates attending the ABA convention in San Francisco.

Liberty National moved into the third home of its 53-year history, the \$22-million, 36-story Liberty Tower, to the accompaniment of a local fanfare of receptions, dinners and open houses that spanned the first week of August.

The week's local inaugural activities ended with a public open house on Saturday, August 7, that drew more than 5,000 Oklahoma City residents.

Events to introduce Liberty's new banking house on the first nine floors of the Tower began Friday, July 30, with a press preview attended by more than 100 news media representatives from the city and surrounding com-

munities in Oklahoma.

On Tuesday and Wednesday, August 3 and 4, bank officers and directors, headed by Mr. McLean, were hosts to receptions for major bank customers.

About 700 business, industrial, professional, government and education leaders were guests at a sit-down dinner Thursday, August 5.

Guests during the events were particularly impressed with the blending of clean, functional, modern office styling with the elegance and grandeur of unusual antiques that helped carry out the bank's theme of emphasizing the southwestern heritage in its decoration.

The bank's third-floor terrace, with its astro turf putting green and sculpture of "The Roughnecks," also excited much comment. • •

### Republic Nat'l Promotes Four; Elects Three New Officers

DALLAS—Republic National has promoted four officers and elected three new ones.

Promoted were: Ed E. Sammons Jr., from assistant vice president to vice president, municipal bond group; David Sone, from assistant vice president and trust officer to vice president and trust officer, trust business development division; and Paul J. Burch and William R. Sullivan Jr., from banking officers to assistant vice presidents, metropolitan division.

New officers are: Robert G. Fuller, banking officer, time credit; William D. Whisenant, banking officer, metropolitan division; and Robert N. Virden, trust officer, trust business development division.

### Banker Donates Lincoln Bust



King V. Hostick, president, Schuyler State, Rushville, Ill., presents unique sculpture of Abraham Lincoln to Mrs. Richard Ogilvie, wife of Illinois governor. The bust, sculpted in 1860-61, is said to be the only artwork of its kind done from life. Mr. Lincoln sat periodically for the artist over a three-month period. The bust, donated by Mr. Hostick, will be placed in the Illinois executive mansion.



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### Bank Marks Facility Anniversary



National Boulevard Bank, Chicago, celebrated the first anniversary of its Grand Avenue Banking Center. Pictured with a one-candle cake are: (from l.) Henry K. Gardner, pres.; Joseph F. Reynolds, mgr. of the Center; and Irving Seaman Jr., CEO.

### Republic Bank of Albuquerque To Open in Temporary Office

ALBUQUERQUE—The new Republic Bank, capitalized at \$1.4 million, will open late this month in temporary quarters. Construction of the \$300,000 permanent building will start in October and is expected to be completed by May 1, 1972. It will be a two-story building containing 10,000 square feet of space.

Lee N. Guthrie Jr. has been named president of Republic Bank. Mr. Guthrie has served as president of First National, Clovis, and of Deming National. He also was a vice president of Humboldt National, Eureka, Calif., and cashier of First National, Alamogordo.

### ABA Plans Automation Meeting At Indianapolis Sept. 20-21

INDIANAPOLIS—The ABA will sponsor a Midwest Regional Automation Conference at the Indianapolis Hilton Hotel, September 20-21, as part of a continuing series of regional meetings to discuss problems in the rapidly expanding field of bank data processing management.

Keynote speaker will be Thomas V. Markle, president, Beverly Bank and Beverly Bank Corp., Inc., Chicago.

Management level personnel will share ideas and experiences through small peer group sessions and will hear experts in the EDP field during the conference.

Conference chairman will be Norman L. Benke, vice president and senior operations officer, Merchants National, Indianapolis.

Taking part in the conference will be John W. Holton, ABA federal legislative counsel; John J. Cross Jr., senior vice president, Citizens Fidelity, Louisville, and chairman, ABA automation committee; and John E. McGrath, vice president, Booz, Allen & Hamilton, Inc.

MID-CONTINENT BANKER for September, 1971

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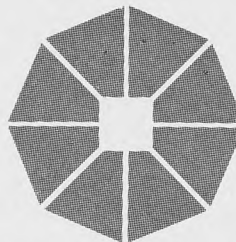
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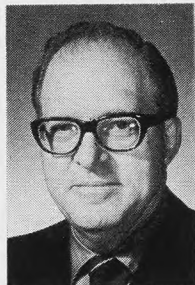


GUARANTY BANK & TRUST COMPANY/MEMBER FDIC

# New Auto-Flooring Plan

*—it's designed to reduce risk for banks in making loans to car dealers*

TO HEAR BANKERS talk about their experiences in floor planning, one might conclude that this is a very unrewarding business. In fact, this is probably true and if it were not for the consumer paper generated, flooring would be more unpopular. The principal reason appears to be not so much the risk (although this sometimes is a factor), but the many uncertainties and troubles involved in controlling the loan collateral.



SNELTJES

One Houston banker said it took four of his men two days plus follow-up time to check the floor of a dealer who had a million-dollar inventory. "The difficulty," he said, "was trying to locate the cars. They were all over town—in the body shop, out as demonstrators, loaners—even the salesman's girl friends would take out cars to go shopping."

Another bank officer in New York reached this conclusion:

"Wholesale automobile financing requires special techniques and a skilled auditing staff if it is to be handled so that sales out of trust and double financing are avoided. A large volume of business is needed to support the special procedures and extra people required."

For these and other reasons, banks, in general, are not enthusiastic about lending money on auto flooring. Some banks make it a policy not to make this type of loan at all. So the economic plight of many an automobile dealer important to the business community continues to deteriorate. And a source

By **WILLIAM SNETJES**  
**Sales and Marketing  
Director  
Lawrence Systems, Inc.  
San Francisco**

of profitable bank business lies static and virtually untouched. The two parties need to get together.

Lawrence Systems, which has played key roles before in helping banks control their loan collateral, may well be the catalyst that can turn this static situation into a flow of cash. Lawrence now provides banks with a service that lessens the risk in making auto-flooring loans. Additionally, the service relieves the bank of the expensive burden of controlling dealer inventory. A bank's role becomes solely that of lender. Lawrence's role is that of guarantor of the loan collateral.

This new Lawrence Auto Dealers Service is the child of the tight-money market of last year. With available working capital at a premium during those months, the financial needs of automobile dealers were not being met. As a business group, they were down near the bottom of the priority list at most banks.

Senior Vice President Norman Bruce of Lawrence met with several people in the auto industry at that time to discuss plans that might provide incentives to banks in breaking the cash jam and thus stimulate a flow of money from bank to dealer. At least, it was hoped that Lawrence might find a way to put automobile dealers back on a higher priority basis.

Following the talks with the automobile people, Lawrence interviewed more than 200 bank loan officers from all parts of the country regarding their

practices and attitudes toward financing automobile dealers.

We learned that there was high interest indeed in a plan that would provide banks with a system of controls that would eliminate the need for frequent field trips by bank personnel to check on collateral. Flooring men were particularly interested. Such controls would permit a bank to expand its marketing area—to make loans hundreds of miles away with the same protection as if the loan were to a dealer 20 miles away.

In addition, banks showed great interest in a phase of the service we proposed wherein Lawrence would assume the responsibility of auditing and maintaining records and guaranteeing their accuracy. Most noteworthy of all, however, was the overwhelming interest in the simple fact that this new Lawrence service would help a bank cut its costs of doing business.

It is apparent that the climate in banking today is one of vigorous cost cutting. Bankers are seeking ways to remove or cut down on the many expensive services they used to give away. Under the Lawrence Auto Dealers Service plan, the dealer pays for the service. Banks not only gain better control of collateral through Lawrence's trained and bonded controllers, but by eliminating costly bookkeeping and control services banks formerly performed, they can get a better return on their loan. Even small banks with a single auto dealer account find the plan attractive.

Dealers like the new Lawrence service for several reasons. It provides the dealer with a modern inventory control and bookkeeping system that enables him to approach his banker with a positive program in support of the fi-



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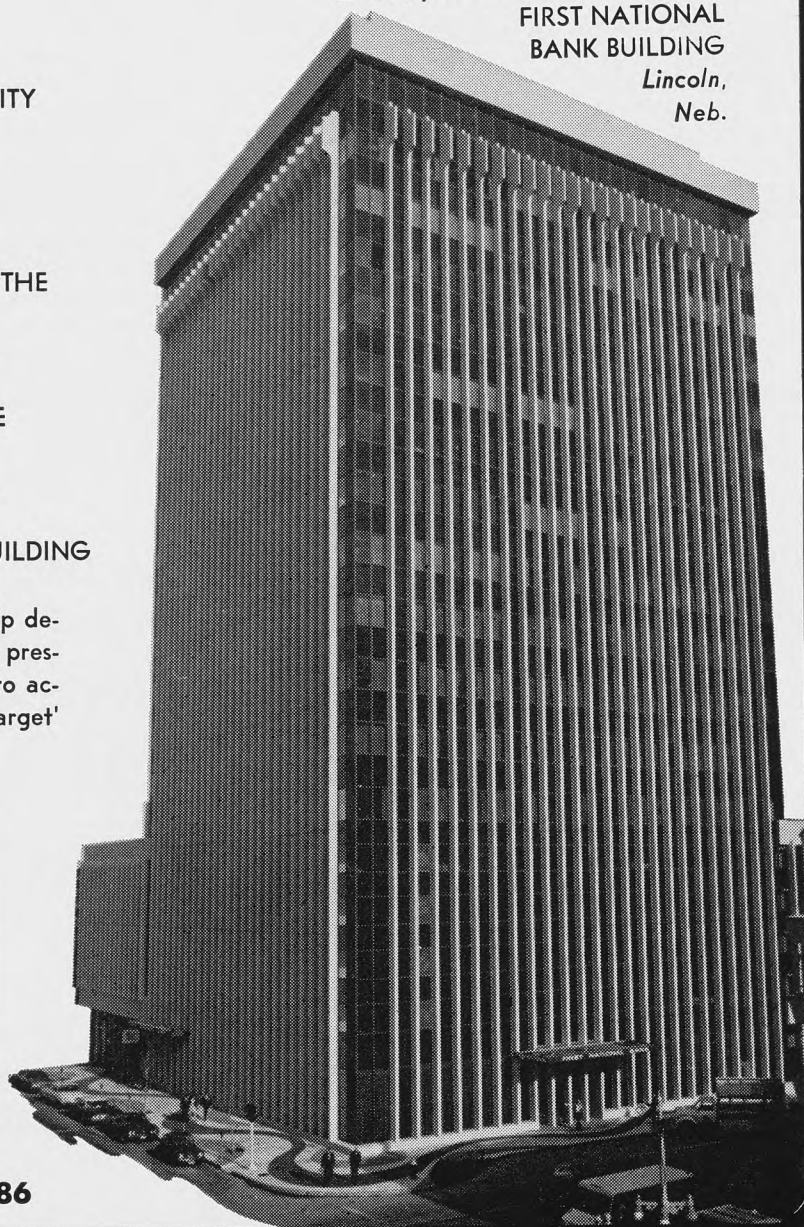
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nancing he requires. New dealers, too, find that banks are more receptive to making a loan with Lawrence in the picture. The same holds true in cases of absentee or investment ownership.

Secondly, the Lawrence service does not disrupt normal dealer operating procedures. All bookkeeping and supervisory functions are performed on the dealer's premises. Monthly inventory reports are provided using modern data processing methods. Lender and borrower both know exactly how much inventory is on hands at all times.

Thirdly, the dealer is free to display his automobiles without restriction. There is no segregation of inventories, no partitioning of storage areas, no posting of signs.

The service originally was planned just for auto dealers, but Lawrence discovered in talking to bankers that the plan has intriguing possibilities when applied to other types of flooring. For example, Lawrence offices in Baltimore and Atlanta report high interest among banks in adapting the plan to the financing of mobile home dealers. Our office in Houston is putting the new Lawrence plan into effect for a bank with a portable building account. Other Lawrence offices report successful application of the service to marine dealers, motorcycles, trucks, material handling equipment, snowmobiles.

Lawrence, of course, recognizes that this new auto dealer service is not necessarily the panacea for all the lending problems of flooring. But it does meet many of today's marketing and lending needs and it is a particularly valuable service for the bank with no special flooring department.

There are no U. S. geographic limits to this or any other Lawrence service. All are available throughout the United States, Alaska, Hawaii and Puerto Rico. Lawrence of Canada, Ltd., serves the Canadian market.

Through a large network of trained employes, Lawrence guarantees the assigned collateral and supervises its movement in accordance with terms of the loans. The guarantee is underwritten by Lloyd's of London.

Lawrence has been providing inventory control services to banks for almost 60 years. More recently, the company has expanded its activities by developing techniques to assist lenders in making accounts receivable loans and loans against instruments and chattel paper. The Auto Dealer plan is the newest of many services. It is specifically designed to meet the needs of the growing number of banks that have come to the conclusion that wholesale automobile financing should be a profitable undertaking in itself, without consideration for retail financing. Lawrence cannot,

of course, make credit or policy decisions for banks, but it can do the major part of the record keeping and control work in a skilled and professional way after these decisions have been made. Thus, by relieving banks of the work and expense of auditing and controlling loan collateral, Lawrence makes wholesale automobile financing much more attractive—and profitable. • •

### Hurst Is Head of New Division At First National, Birmingham

BIRMINGHAM—First National has named Gordon C. Hurst, vice president, as head of the newly formed national-correspondent division. The division encompasses the correspondent banking department under Leonard C. Skelton, vice president, and the national accounts group under C. Pratt RATHER Jr., vice president.

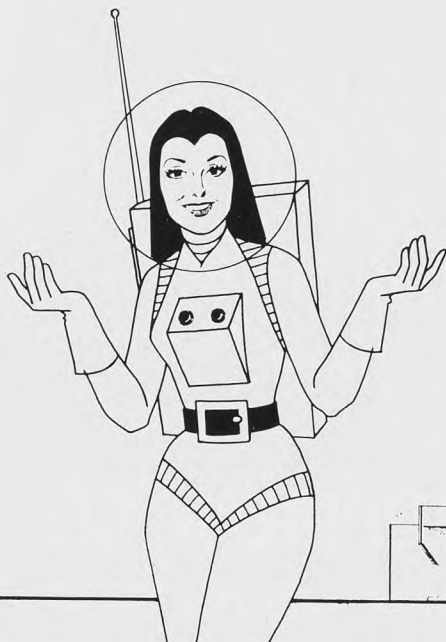


HURST

Mr. Hurst, who joined First National in 1959, previously was head of the national accounts department. He was elected an assistant vice president in 1966 and vice president in 1968.



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# Trust Co. of Georgia Announces Plans For Building Program's Second Phase

PLANS for construction of the second phase of a multimillion-dollar building program have been announced by the Trust Co. of Georgia, Atlanta. To be erected is a Main Office structure at the corner of Edgewood Avenue and Pryor Street of the same general design and construction as the bank's 26-story office building completed in 1969.

The new building—with three floors above ground and one level below Pryor Street—will be an integral part of the banking complex that will occupy a full city block bounded by Edgewood Avenue, Pryor Street, Auburn Avenue and Equitable Place. Completion is expected by the end of 1972.

The entire main level will contain a spacious banking room, which will have no interior vertical supports, thus creating a fully unobstructed area. Extensive glass panels on the entrance side will further enhance the open environment.

Twenty-one teller stations will be located in a single line along the Edgewood Avenue side, and the remainder

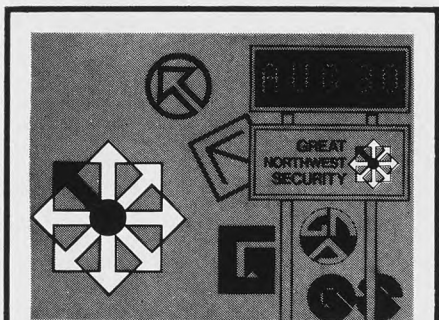
of this level will house a variety of customer services.

The second level above ground will contain the banking department, while the top level will provide executive offices and the directors' room. Access to the safe deposit vault, to be located below street level, will be via two elevators and a staircase from the banking room.

The building's exterior will feature the same type of Georgia marble used in the present tower, including a pattern of projecting "fins" framing the second-level window.

A number of mementoes from the bank's old building that stood for many years on this site will be preserved as a permanent part of the new complex. A free-standing arrangement of Gothic columns from the old building will be a focal point of an extensive plaza fronting on Pryor Street.

The new structure's entrance will face the new block-square midtown park, for which the city of Atlanta recently announced plans. • •



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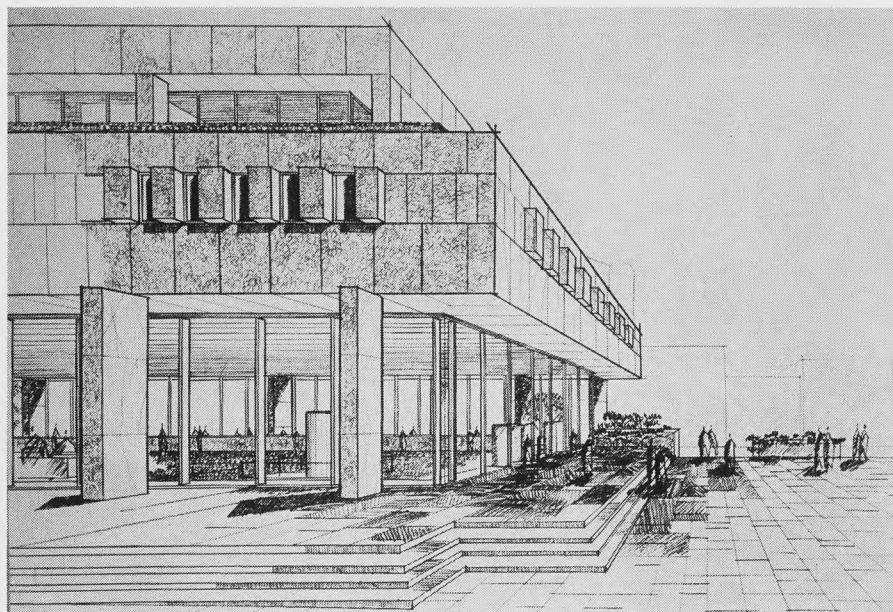


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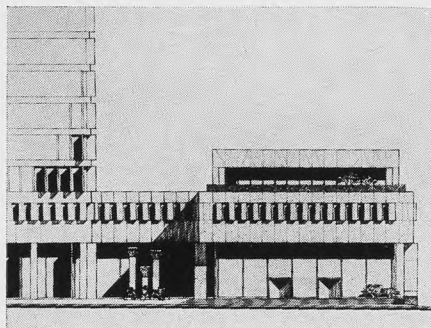
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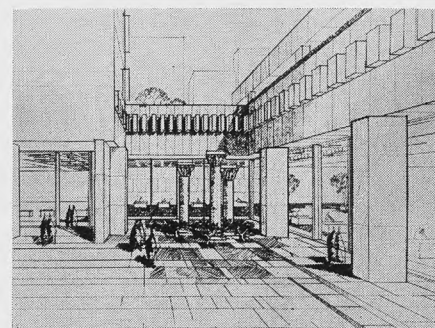
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In this sketch of new Trust Co. of Georgia structure, building looks south toward Edgewood Avenue. Inside can be seen portion of spacious lobby and some of the 21 teller stations that will line Edgewood Avenue wall.



New Trust Co. of Georgia building will look like this from Pryor Street. At left is present bank quarters. Plaza area can be seen between two structures and in front of connector. Completion is set for year-end 1972.



This artist's sketch shows plaza area with its planters, benches and three columns from old building that once stood on this site. Other mementoes of former structure will be incorporated into design of ground floor.



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## First of Tuscaloosa Celebrates Centennial With Week-Long Festivities

**F**IRST NATIONAL, Tuscaloosa, Ala., held a week-long celebration of its 100th anniversary in late July. The festivities were kicked off July 28 with the unveiling by Frank M. Moody, chairman and chief executive offi-



cer, of an enlarged replica of the bank's original charter. This replica is now on permanent display in the downtown office lobby. Dignitaries and bank officials from across the country were invited to the unveiling.

Throughout the centennial week, First National held public open house. Pretty southern belles, many of them daughters of bank employees, were hostesses and served light refreshments. They wore late 19th-century costumes to set the tone of the centennial.

In the bank lobby were displays of memorabilia of banking through the years, including a coin collection loaned by the Alabama Bankers Association, savings banks dating from the bank's first savings account at the turn of the century and historic photos.

First National's history dates back

**TOP:** Mrs. Mary George Waite, pres., Alabama Bankers Association, and 1st Nat'l Pres. George S. Shirley admire 100th anniversary cake, a replica of the bank building. **BOTTOM:** Replica of original charter of 1st Nat'l of Tuscaloosa was unveiled during bank's 100th anniversary celebration. Pictured are (from l.) Mrs. Gordon Palmer and Mrs. Frank Maxwell Moody, widows of former bank presidents; Elizabeth Blackmon, descendent of bank's first president; and Frank McCorkle Moody, ch. of bank.



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to July 5, 1871, when nine prominent Tuscaloosa residents gathered in the office of Judge Washington Moody to form a bank. The latter was chartered July 28, 1871, and opened the following November. Employees were Judge Moody, who was president; Frank Sims Moody, cashier, and a janitor. Assets totaled \$50,000.

Since then, the bank has grown and now has assets of more than \$75 million and five officers. • •

### Football Tips Offered

Football fans are offered tips on how to get more out of the game in a new leaflet issued by the Foundation for Full Service Banks. The leaflet, designed for use as a statement stuffer, is issued to enable banks to build interest in NFL telecasts being sponsored by the Foundation this fall.

Title of the leaflet is "How to Enjoy NFL Football Even More This Year." Male viewers are advised how to "know what's going to happen before the camera does," while women are told how to "make your husband think you know all about football."

The leaflet also carries an advertising message on the theme, "your full service bank puts a full team behind you," and allows space for banks using it to imprint their names.

The leaflets are available through the Full Service Banks Advertising Co.

### Time-Saving Desk Caddy

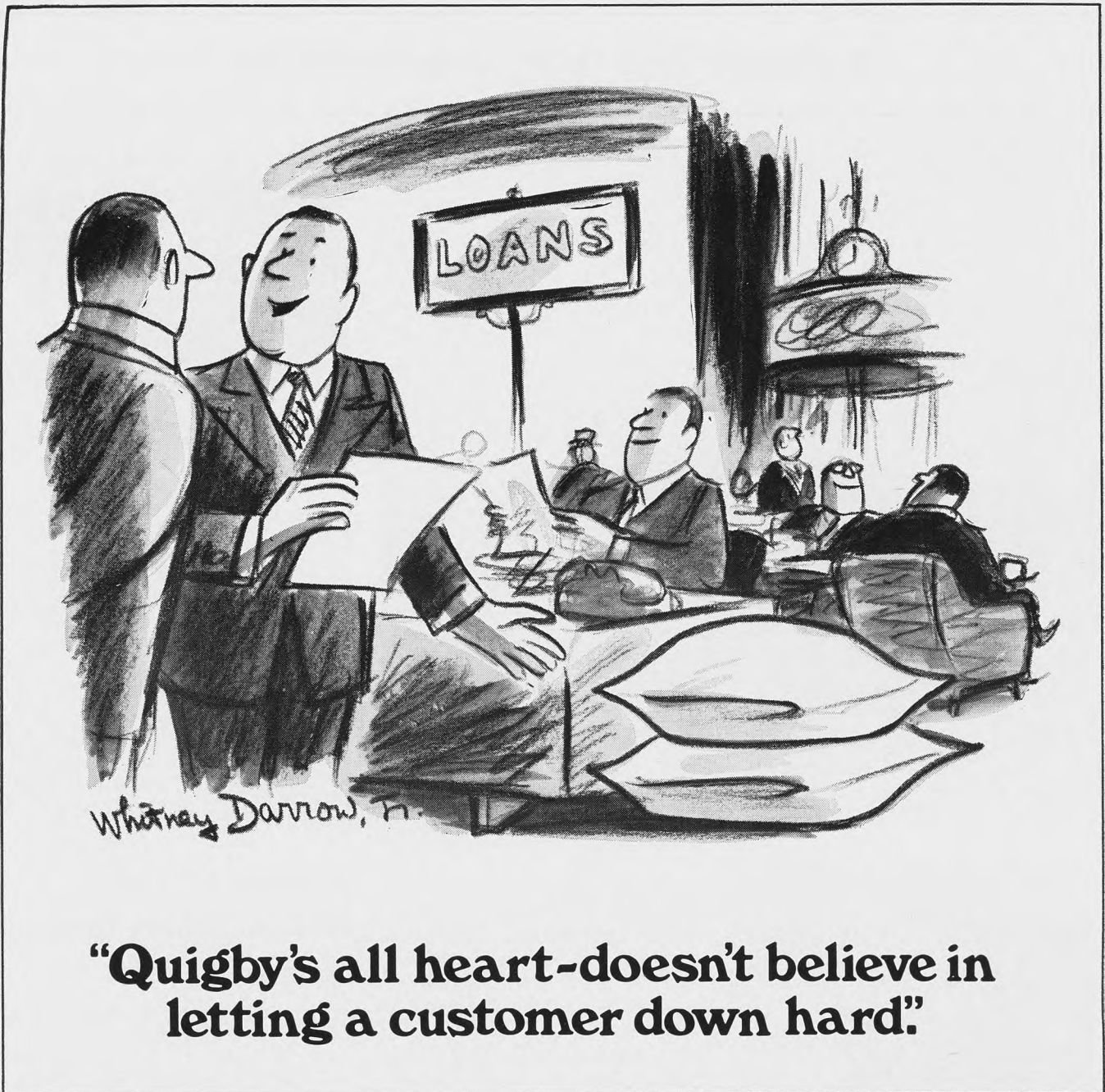
A significant increase in the efficiency of desk workers is said to be possible with the use of a Desk Caddy, a device that brings order to desk tops (see photo).

Desk Caddy fits snugly on a desk top and offers a place for pens, pencils, paper clips, rubber bands and the like, with a special spot for a coffee cup.

The units are made of polystyrene in several colors and are available from office-supply dealers.







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**MID-CONTINENT BANKER for September, 1971**

## Bank Branch Opens Quickly in Modular Building

**T**HE Nashville City Bank opened its first branch within 53 days after it was approved by the FDIC. The speed with which the office came into being was possible because it opened in a modular building, conceived by John Hardcastle, vice president and cashier of the bank. By opening the branch in this structure, the bank can service the

area while the office's permanent home is under construction at the same location.

The modular building, constructed for the bank by Modular Builders, Inc., Lebanon, Tenn., was erected on a steel frame in two sections—12x40 feet—which permits the building to be relocated easily. The structure will be used



This is exterior of temporary office of Nashville City Bank's first branch. Structure, of modular construction, is attractively styled with mansard roof and sandstone finish exterior. Because it could be put up quickly, bank can service surrounding area while permanent building is being erected on same site.



Interior of branch's temporary building has walnut finish paneling, nine-foot ceiling with recessed lighting and carpeted customer area.

by the bank as a temporary office for future branch sites. Thus, Nashville City Bank will be able to offer banking services to areas around the branches almost immediately after the latter are approved by regulatory authorities.

The modular building features a sandstone finish exterior with mansard roof. The interior is highlighted by walnut finish paneling, a carpeted customer area, a nine-foot ceiling with recessed lighting and an entrance vestibule. The branch's personnel consists of two officers, three tellers and a secretary. • •



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## Insurance Activities Of Bank Holding Firms Curtailed by Fed

**T**HE FED has ruled that most bank holding company insurance agency operations must be "directly related" to a credit or financial service. The ruling also specifies that bank holding companies could provide additional insurance as a customer convenience, but only to a limited degree.

However, in communities of 5,000 population or less, bank holding company insurance agencies can handle all types of coverage. This proviso applies also in other communities where local insurance agency facilities are inadequate.

The ruling was made August 10 and became effective September 1. It was implemented by the Fed under a 1970 law which gave the agency power to set new standards for holding company expansion.

Bank holding companies were in favor of a broad standard for insurance operations, but insurance agencies favored containment of bank holding company insurance agency operations.



The Fed had originally proposed allowing bank holding companies to act "as insurance agents or brokers, principally in connection with extension of credit by the holding company or any of its subsidiaries."

The new ruling permits bank holding companies to act as insurance agents or brokers where the following types of insurance are sold: any insurance for the holding company and its subsidiaries; any insurance that is directly related to an extension of credit by a bank or a bank-related firm; any insurance that is directly related to the provision of other financial services by a bank or a bank-related company; policies of all types sold "as a matter of convenience" to the purchaser, "so long as the premium income from sales . . . does not constitute a significant portion of the aggregate insurance premium income of the holding company from insurance."

The Fed had originally proposed the defining of the underwriting activities of holding companies as "acting as insurer for the holding company and its subsidiaries or with respect to insurance sold by the holding company or any of its subsidiaries as agent or broker." The new ruling indicates that the Fed decided against adopting a general regulatory provision of this sort.

The Fed's statement accompanying the rule said that a holding company in the insurance agency business is expected to "exercise a fiduciary responsibility—that is, by making its best effort to obtain the insurance at the lowest practicable cost to the customer."

## Oklahoma City Banks Cooperate in Plan To Reduce Swindles

A PLAN OF alerting local banks to possible swindles has paid off for banks in Oklahoma City, according to a report in a recent issue of the Loss Prevention Bulletin of the Bank Share Owners Advisory League.

Representatives of banks in the greater Oklahoma City area decided to adopt a plan whereby any bank that was victim of a check swindle, or had a suspicious transaction, would call a central bank. The central bank would in turn call two other banks, and these two banks would each call two more banks, and so on according to a prearranged schedule. This system enables all banks in the area to be alerted to the situation within minutes.

The following is an example of how the "hot line" program has paid off: An individual opened a \$25 savings account with cash, and used almost the same name as an account that was al-

ready on the books. He gave a resident address and used the exact business address of the bonafide depositor.

Bank personnel noticed the discrepancy and the nearness to the name and the exactness of the address of the bank's bonafide customer. They called the depositor and were advised that he did not open the account.

The bank then alerted other banks according to the "hot line" plan. A few days later, a person appeared in a suburban bank where he had opened a small savings account and presented a \$25,000 cashier's check, asking the bank to convert it into smaller cashier's checks.

He was advised that the item would

have to be approved and, after a few minutes of waiting, the presenter of the cashier's check apparently became uneasy and left, leaving the \$25,000 cashier's check with the teller. It was later learned that the cashier's check had been obtained by forgery. The fact that the bank had been alerted helped prevent a huge loss.

Representatives of Oklahoma City banks meet quarterly to discuss various banking topics. Officers in bank operations departments serve as representatives, with other personnel invited if their departments are involved in discussions. More than 100 attended a recent meeting covering the opening of new accounts. • •

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The next session begins September 27 and runs through October 1 — five days of intensive on-the-job and theoretical training.

Tuition is \$500 — which includes not only instruction but excellent housing accommodations, transportation to and from the bank, and breakfast and lunch.

If you'd like to see how you can make a profit in your credit card operation, contact William R. King, Vice President, Preston State Bank, Dallas, 75225.



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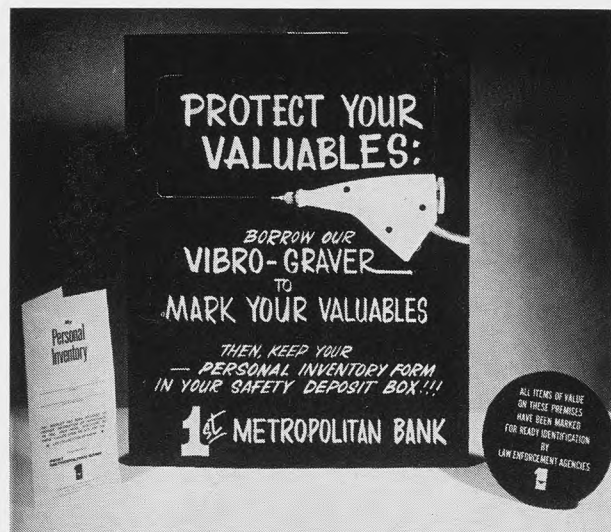
# idea page



**N**EW BANK bike racks enable employees to fight pollution and keep trim. Valley National furnished the racks at its Home Office in Phoenix after several ecology-conscious and health-minded employees requested them for use by those who choose to ride bikes to work. No other bike facilities existed in the area, so Valley National donated one auto parking space at its drive-in lot. The lot is watched daily by a guard.



**O**LD NATIONAL, Evansville, Ind., recently sponsored a contest to see which of its branches could come up with the best safe deposit box display. The North Side Office created this scene, illustrating the danger of storing valuables at home rather than at the bank.



**M**ETROPOLITAN Bank of Jefferson, Metairie, La., is helping its customers protect their valuables. The bank loans its Vibro-Graver tool to customers so they can identify their valuables (such as a TV set, etc.). This type of identification, when accompanied by a notice that the property has been marked, tends to discourage thieves from taking the property. After marking, the bank encourages customers to list their property and place the list in safekeeping in a safety deposit box.



**A**SURE way to attract customers' attention is to display shiny racing cars in a bank lobby. Attention is further guaranteed by the addition of a bank staffer like Terry Roberts, who is a "first lady" at First National, Fort Worth. Showing of the racers preceded weekend races at a Fort Worth speedway.



## Case History #418

An actual case taken from our correspondent banking files.

### Problem:

Two hard-working, innovative Iowa businessmen have outgrown their second manufacturing space in six years. In order to expand facilities for their rapidly growing hydraulic hoist manufacturing company, they need two things—money and advice. The local bank recognizes the potential for this business, but the capital required is much more than their legal lending limit.

### Solution:

The local bank calls on us. Bob Norrish, one of our correspondent and agricultural banking officers, visits with the local banker and the businessmen to investigate the problem. Bob is able to help the banker analyze the needs of the businessmen and their ability to repay. But more than that, he is able to make a series of recommendations aimed at helping this young firm “structure” its business for increased sales and profitability. Acting on Bob’s evaluation, Central National Bank provides an overline loan to the local bank.

### Results:

Today, the two equipment manufacturers have 100,000 square feet of production space, annual sales of several million dollars and a million dollar payroll spread through three Iowa communities. And the local bank has a very good correspondent banking relationship.

For many reasons, some of our most interesting customers are other banks.

For complete details on this case history, write or call Bob Norrish, Correspondent Banking and Agriculture, (312) 782 2520.



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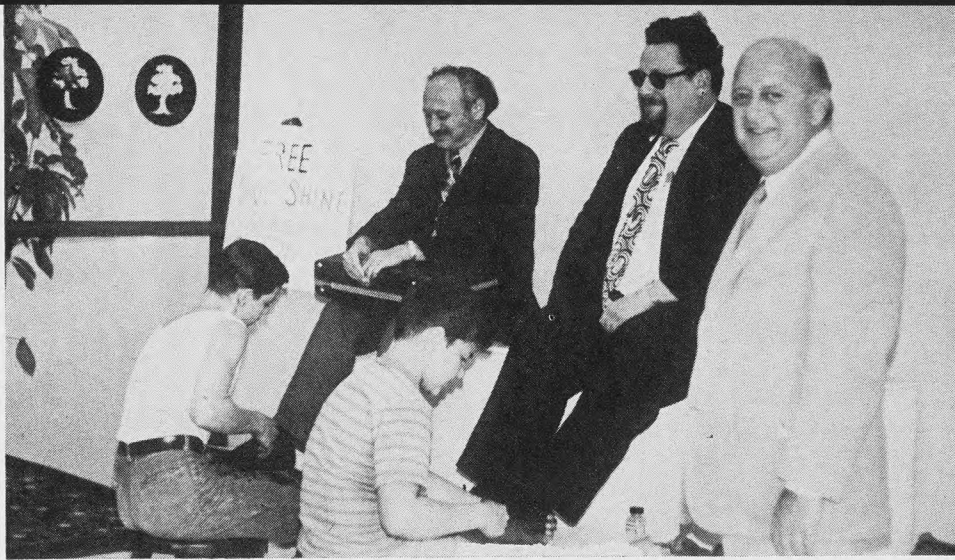
**Central National Bank**

LaSalle and Monroe, Chicago (312) 782-2520



MEMBER F.D.I.C.

**MID-CONTINENT BANKER for September, 1971**



Two shoeshine boys are shown plying their trade during open house in new home of National Bank of Albany Park, Chicago. Although this aspect of formal opening was not planned by bank, free shoeshines given by youngsters proved extremely popular. Bank paid boys \$2 per hour, and lads also received tips.

## Bank Finds Popular Open House Feature: A Boy Dispensing Free Shoeshines



WHEN the National Bank of Albany Park in Chicago unveiled its new building this summer, its formal opening included a unique feature—free shoeshines administered by an enterprising youngster.

Actually, when bank officers were making plans for the grand opening, they had no idea they would be offering this service. Shortly after the grand opening started, a young boy from the area moved in on bank property and set up a stand, where he began giving shoeshines for 25¢ apiece. Bank officers' immediate reaction was to eject the youngster because he appeared to take a little of the luster away from the opening. However, as President Irwin A. Goodman, explained, "Smarter heads prevailed."

Instead of ordering the boy away from the bank and possibly incurring ill will with him and onlookers, the of-

ficers decided to move him into the building, where they provided him with a small area to carry on his work. They even had a sign painted saying, "Free Shoeshines." The bank then paid the boy \$2 an hour for his efforts, and he was kept busy shining shoes (getting a lot of 25¢ tips, by the way). Robert L. Shutt, Central Division sales manager for Diebold, Inc., who reported the incident to MID-CONTINENT BANKER, said that everybody thought the shoeshine service a great idea. He also pointed out that bank officers turned a potential embarrassment into an asset.

One of the bank's customers remarked to Mr. Goodman that if the boy keeps on showing as much enterprise in the future as he does now, he'll be president of the bank in four years. Mr. Goodman countered with, "At this rate, it will take a lot less time than that."



**SECOND FROM TOP:** Antique popcorn vending machine was popular stop for visitors of all ages during open house at National Bank of Albany Park.

**THIRD FROM TOP:** Youngsters gather around "Cookie the Clown," who entertained at National Bank of Albany Park's open house.

**BOTTOM:** Irwin A. Goodman presents keys to sports car to winner of bank's top door prize, which was given away during festivities centered around opening of bank's new quarters. Other prizes included color TV set, AM-FM clock radios and children's bicycles.

### Something for Everyone

The bank's opening festivities had something for everyone. For the youngsters, there was an antique popcorn vending machine, which dispensed free popcorn not only to children, but adults as well. In addition, "Cookie the Clown" entertained young visitors.

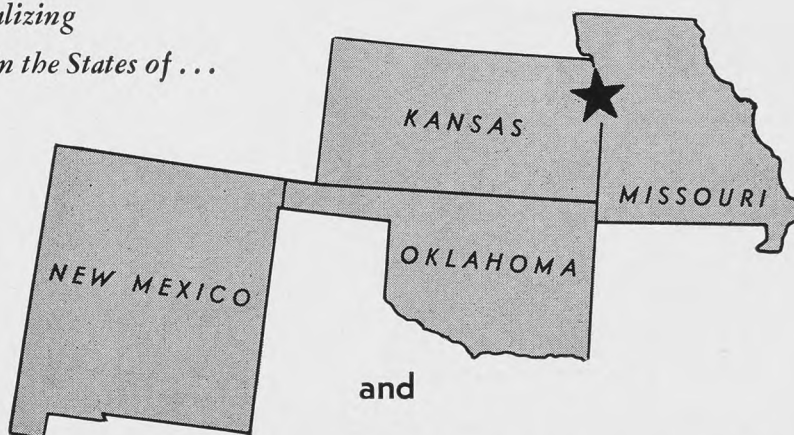
The lobby was decorated with displays of original art—lithographs, etchings, watercolors and serigraphs. By opening a new or adding to a present





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checking or savings account, a customer could buy one of these paintings at reduced cost. To be eligible to purchase a painting, the customer had to deposit at least \$100 and agree to leave the money in the bank for a minimum of 90 days.

There were valuable prizes, too, ranging from a Fiat 850 Spider sports car to six AM-FM clock radios. These prizes included two portable color TV sets, a radio-stereo phonograph (also AM-FM), an AM-FM stereo radio and eight-track tape recorder and two 10-speed bicycles (one for a boy and the other for a girl). Everyone, not just customers, was invited to register between June 3 and July 17 for these gifts.

The new bank building is round in design and contains wide expanses of glass. Several Diebold drive-in windows are connected to the building.

## Allow District Branching, Bank Holding Companies, Ky. Credit Study Urges

Kentucky banks should be allowed to branch throughout development districts and bank holding companies should be permitted to operate within the state. These are recommendations of a study of Kentucky credit trends called "Credit Trends in Kentucky," prepared for the Department of Banking and the Program Development Office.

The study also calls for the elimination of the 50% limitation on owning bank stock.

The study was made to provide a basis for projecting credit in the 1970s and consists of a review of the demand and supply for credit during the 1960s. It attempts to forecast future trends in credit use for housing, commerce, industry and agriculture, based on the 10-year 1960-69 period.

Expansion of branch banking, the study asserts, would encourage more competition, growth of larger banks, larger loan-to-deposit ratios and a greater amount of available bank credit. Such a move would also tend to eliminate small banks.

The operation of bank holding companies in the state and the elimination of stock limitations for bank ownership could improve the distribution and increase the mobility of credit between different districts, the study stated.

The credit study also calls for the state to provide methods to permit the transfer of loanable funds between banks, thereby allowing intrastate movement of bank funds to areas where they would be used for loans.





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MID-CONTINENT BANKER for September, 1971

# Illinois News

## Henry Karandjeff Observes 60th Anniversary In Banking and With Granite City Trust

SIXTY YEARS is a long time. Sixty years as a banker is quite a record. Sixty years with the same bank is rare indeed.

Henry D. Karandjeff qualified for that distinction last month as he marked his 60th anniversary with Granite City Trust. He is chairman of that institution and of American National of Granite City.

Mr. Karandjeff, who will turn 78 this month, recalls his hiring by the bank. He had taken shorthand at a Granite City business college and was hired to replace a stenographer and the janitor. His starting salary was \$30 per month.

Asked what was the greatest change he had noted in those 60 years, Mr. Karandjeff replied it was the challenge of rendering more service to more and more people. "The percentage of people availing themselves of banking services has grown by enormous proportions. People now are more cognizant of the services a bank can render and make use of those services," Mr. Kar-

andjeff said.

Born in Smardesh, Macedonia (which was then under Turkey and now is part of Greece), of Slav-Macedonian parentage, he attended Greek and Bulgarian schools from age five to 12. In 1906, he came to the United States and Granite City.

To say he is a civic leader is an understatement. His civic endeavors take more than a page to list. Long interested in youth, he takes pride in his work with the Boy Scouts and the YMCA. He has worked for the past 40 years on the acquisition of Horseshoe Lake (a lake of 1,500 to 2,000 acres) as a park in Madison County. Late in 1969, Mr. Karandjeff's dream became a reality with the signing of a bill creating the lake as a state park.

Also active in banking associations, Mr. Karandjeff was president of the Illinois Bankers Association in 1954-55 and was on the ABA executive council at the same time. • •



Employees of Granite City Trust recently honored Henry D. Karandjeff, ch., on his 60th anniversary with the bank. Mr. Karandjeff is also chairman of American National, Granite City, and is a past president of the Illinois Bankers Association.

### Geary Named President & CEO Of First National, Oak Lawn

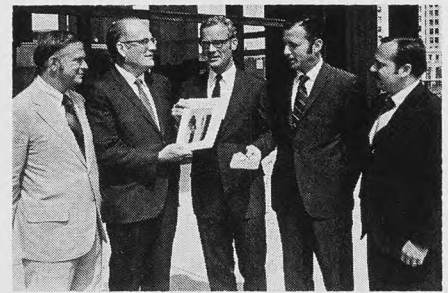
OAK LAWN—John T. Geary and a group of investors have purchased controlling interest in First National. Mr. Geary was elected president and chief executive officer.

Control was acquired from Louis C.

Kole Sr. and members of his family. Mr. Kole, who is one of the founders of the bank, will remain a director.

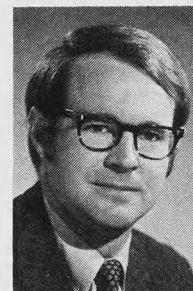
Mr. Geary formerly was vice president in charge of the loan division at Beverly Bank, Chicago. He joined that bank as an assistant loan officer in 1965.

### Bank Honors 1,001st Customer



John S. Lillard (c.), pres., Scudder, Stevens & Clark, Inc., is National Boulevard Bank of Chicago's 1,001st customer from the 111 East Wacker Drive building, to be known in the future as One Illinois Center. He is pictured receiving gifts, including a \$25 savings account, from Francis P. Callaghan, v.p. With them are: Bruce M. Slagg (far l.), a.v.p.; Alan Levinson (r. center) and Donald C. Dowling, of Metropolitan Structures.

### American Nat'l Assigns Brown To Correspondent Division



BROWN

CHICAGO—David S. Brown Jr. has been elected an administrative assistant in the correspondent bank division of American National. He will work in the Illinois territory.

Mr. Brown came to the bank as a management trainee in 1969. He holds a law degree from George Washington University in Washington, D. C.

■ JOHN L. BAILEY has been promoted to assistant vice president and Gary A. Quinlan to assistant cashier in the installment loan department of First National, Decatur. Mr. Bailey came to the bank in 1964 and Mr. Quinlan in 1967.

■ RICHARD J. CASSARO has joined Community Bank, Plano, as cashier. Formerly, he was cashier at Alpine State, Rockford.

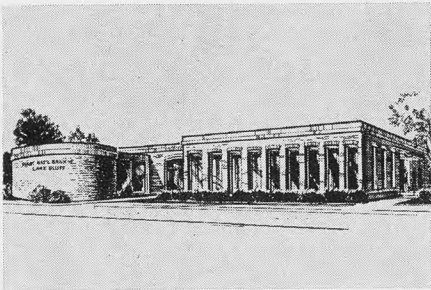
■ DONALD B. LOWE JR. has joined Batavia Bank as business development officer. Previously, he was a special representative with a life insurance company.

■ VINCENT PAGE, president of Normal Plumbing Co., and Zigmond Pluskota, owner of Pluskota Electric Co., have been elected directors of Alsip Bank.

■ UPPER AVENUE NATIONAL, Chicago, recently announced two new appointments. Harry J. English was elected a loan officer and William H. Erbe was named a customer service officer.



**1st of Lake Bluff Plans Building**



First National, Lake Bluff, has begun work on a new one-story, 3,800-square-foot building, expected to be completed by the end of the year. The building will be red brick inside and out and will have six teller stations, one walk-up window, two drive-up windows and a customer parking lot.

■ FIRST NATIONAL, Winnetka, has advanced Miss Ruth Affeldt and Richard Sorgenfrei from assistant cashiers to assistant vice presidents. Miss Dorothy Beck and Miss Evelyn Lobban were named assistant cashiers.

**McKown Named Vice President At First National, Decatur**



McKOWN

DECATUR—First National has promoted Herschel G. McKown from assistant vice president to vice president in charge of the real estate mortgage department.

Mr. McKown joined the bank in 1950. He is a graduate of the School of Consumer Banking at the University of Virginia and of the School of Banking at the University of Wisconsin.

■ CENTRAL NATIONAL, Chicago, recently elected Corley M. Gross and John E. Roberts Jr. assistant trust officers.

■ STANDARD BANK, Evergreen Park, has promoted Robert A. Thompson to vice president and cashier and William J. F. Rus to vice president and industrial banking officer. Mr. Thompson came to the bank in 1962 and was elected cashier in 1968. Mr. Rus joined the bank as assistant controller in 1965 and was named controller a year later.

**Illinois Deaths**

HERMAN H. JOST, 90, retired vice president, Southern Illinois National, East St. Louis, on August 15. He retired in 1960 after 59 years of service with the bank.

FREDERICK B. THOMAS, cashier, operations department, Harris Trust, Chicago, on August 6 of a heart attack.

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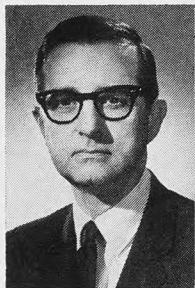
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	<b>Glen E. Smith</b> <i>Asst. Vice President</i>
	<b>Mayo C. Walcott</b> <i>Assistant Cashier</i>
	<b>John Hartshorne</b> <i>Bond Officer</i>
	<b>Fred G. Eitel</b> <i>Asst. Cashier</i>

# Indiana News

## Carl W. Seet, John H. Kealing Promoted at Indiana National



SEET



KEALING

INDIANAPOLIS—Carl W. Seet Jr., executive vice president of Indiana National, has been named to the newly created office of chairman of the finance committee. He will continue to have senior management responsibility for the bank's investment and economic

research divisions.

John H. Kealing, formerly senior vice president, will succeed Mr. Seet as executive vice president. He also will continue to head the trust division.

Mr. Seet has been with the bank more than 37 years. He was elected a vice president in 1960, senior vice president in 1967 and executive vice president in 1968. Mr. Kealing, who holds a law degree, joined the bank's staff in 1953. He was named vice president and trust officer in 1963 and senior vice president in 1969.

## St. Joseph Valley Bank to Hold Teller-Training Seminar Oct. 5

ELKHART—St. Joseph Valley Bank will hold a one-day seminar to explain its teller-training programs to head tellers, training supervisors and operations officers from banks throughout the Midwest.

The seminar will be held October 5 at the Center for Continuing Education, University of Notre Dame, South Bend. It is the first in a series of presentations planned for other locations and will be conducted by training and management personnel of St. Joseph Valley.

The seminar will provide information needed to set up a training program based on the methods and training manual successfully used at St. Joseph Valley. Participants will receive teller manuals with alternative course outlines adaptable to various banks' operations. Also included is information on various training aids used in conjunction with the manual and outlined program.

For more information, contact Bill Strawser, vice president, or Jim Stringfellow, assistant vice president, St. Joseph Valley Bank, Elkhart, Ind. 46514.

■ PAUL K. WRIGHT, industrial relations representative, National City Bank, Evansville, was appointed assistant vice president and head of the industrial development program. He joined the bank last October.

## FDIC Denies Bank Merger

The FDIC has denied the proposed merger of Anderson Banking Co. and State Bank, Lapel. The banks sought to merge under the charter and title of Anderson Banking Co. and to establish State Bank as a branch.

## Bindner Elected Vice President Of American Fletcher Corp.

INDIANAPOLIS—Harry L. Bindner, executive vice president of administration, American Fletcher National, has been elected a vice president of American Fletcher Corp., the bank's holding company. He also is president of Tecumseh Insurance Co., a subsidiary of American Fletcher Corp.

Mr. Bindner began his banking career in 1936 with Fidelity Bank, a predecessor of American Fletcher. He was named assistant vice president in 1950, vice president in charge of the personnel department in 1964 and senior vice president in 1966. He was elected executive vice president for administration in 1969.

■ LEO E. SAMMONS has been promoted to vice president in the commercial loan department of Calumet National, Hammond. He has been with the bank 17 years and for the past 15 years has been officer in charge of the Highland Office.

■ MERCHANTS NATIONAL, Indianapolis, recently opened its new High School Road Office. Denver Perkins was named manager. He has been with the bank four years and formerly managed the Belmont Office. Jerome E. Forestal was elected the new manager of the Belmont Office.

## Indiana Bankers Association Plans Regional Meetings

Dates and locations of Indiana Bankers Association 1971 regional meetings have been announced as follows:

Region One: Wednesday, September 15, Cutter's Chalet, Fort Wayne.

Region Two: Tuesday, September 24, St. Joseph College, Halleck Center, Rensselaer.

Region Three: Thursday, September 16, Green Hills Country Club, Muncie.

Region Four: Monday, September 27, Elks Country Club, Lafayette.

Region Five: Thursday, September 23, American Legion Building, Liberty.

Region Six: Wednesday, September 29, Country Club of Terre Haute.

Region Seven: Wednesday, September 22, Elks Club, Jeffersonville.

Region Eight: Thursday, September 30, Executive Inn, Evansville.

Region Nine: Tuesday, September 21, Indianapolis Athletic Club.

■ LINCOLN NATIONAL, Fort Wayne, recently appointed Robert F. Taylor agricultural representative. He recently served with the Indiana Farm Bureau Cooperative in Indianapolis.

■ RICHARD F. GERVAIS was elected trust investment officer of Peoples Trust, Fort Wayne. He has been associated with Merchants National, Indianapolis, and with First Wisconsin Trust, Milwaukee.

## MANAGEMENT BOOKS For Your Bank

**PRACTICAL OPERATIONS AND MANAGEMENT OF A BANK**—By Marshall C. Corns, Management Consultant . . . \$28.75. This 976-page book contains indispensable facts covering every phase of modern bank operation, with operating procedures spelled out for every department. The book updates all previous books on this subject.

**ORGANIZING JOBS IN BANKING**—The Use of Job Descriptions and Operating Instructions, by Marshall C. Corns, Management Consultant . . . \$28.00. This is a practical manual containing job descriptions covering 117 positions in banking and 72 operating instructions. Many of these can be modified with only minor changes to fit positions in any bank and thus help standardize procedures.

**CREDIT-CARDSMANSHIP**—How to Survive the Credit Card Nightmare, by Martin J. Meyer . . . \$7.95. This 200-page book is written basically for the consumer, telling him how to avoid being trapped by over-use of credit cards. But it also contains a section that clearly spells out "con" games that can be played against banks, causing thousands of dollars of losses, with little recourse for recovery.

**THE BOARD OF DIRECTORS AND EFFECTIVE MANAGEMENT**—\$8.50. In this 256-page book Harold Koontz takes a critical look at the corporate board of directors—its functions and responsibilities, areas of decision and control, and the relationship of success to more productive management.

**HOW YOU CAN BEAT INFLATION**—\$7.95, by David L. Markstein. A top investment counselor gives a veritable arsenal of anti-inflationary weapons—specific steps out of the grip of inflation—into the arms of affluence. Tips you off on real estate opportunities, off-beat investments, legal tax evasions, and many more ingenious and profitable ideas.

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# Kentucky News

## Panel Discussion on Future of Banking Planned for 1971 KBA Convention

LOUISVILLE—A panel discussion of "What Is the Future of Banking in Kentucky?" will be one of the features of the 1971 convention of the Kentucky Bankers Association, scheduled for September 12-14 at the Kentucky Hotel here. The panel discussion will be held during the third general session at 11 a.m. September 14 in the hotel's Flag Room, which also will be the scene of all business sessions.

Convention speakers will be: Dr. Maurice Mann, executive vice president, Western Pennsylvania National, Pittsburgh; Rex J. Morthland, chairman, Peoples Bank, Selma, Ala., and a member, President's Commission on Financial Structure and Regulation; Dozier P. Willard, president, Southern Vital Record Center, Flora, Miss.; Eugene H. Adams, president, First National, Denver, and chairman, ABA task force on Regulation Y; Leslie C. Peacock, president, Crocker National, San Francisco; and Rudolph R. Fichtel, director, AIB, Washington, D. C.

Mr. Morthland, candidate for 1972-73 ABA vice president, and Dr. Mann will speak at the first general session at 9:15 a.m. September 13. Reports will be given at that session by KBA President Innes W. Dobbins Jr., chairman and chief executive officer, Liberty National, Louisville; and KBA Treasurer C. C. Shepherd, president and cashier, Bank of McCreary County, Whitley City.

Messrs. Willard and Adams will address the second general session at 3 p.m. September 13. Mr. Adams is the ABA vice presidential candidate for

1971-72. The KBA nominating committee will make its report, and election of officers will be held.

Mr. Crocker will speak at the fourth general session at 1:30 p.m. September 14, and he will be followed by a meeting of ABA member banks. At the latter, Mr. Fichtel will be the speaker. ABA officers for Kentucky will be elected.

The convention will be climaxed with the annual banquet at 7:15 o'clock September 14 at the Convention Center. Gubernatorial candidates will speak—Republican Tom Emberton and Democratic Lieutenant Governor Wendell H. Ford.

A series of parties will be given by Louisville banks, beginning with Citizens Fidelity's "New Orleans Party" at the Convention Center from 6-8:30 p.m. September 12.

At 8:30 o'clock the following day, First National will be host at a ladies' breakfast at Stouffer's Louisville Inn. A 12:15 luncheon is planned in the Flag Room by Liberty National. Immediately afterward, a new film of Trooper Island, if available, will be shown, and Ray Harm will make a formal presentation of his recent painting, "Great Horned Owl." From 6-8 o'clock that night, First National will have its "Annual Reception and Buffet" on the mezzanine and in the Flag Room.

Also that night, the 50-Year Club will have a dinner at 6:30 and the past presidents at 7, with a 9 o'clock party to be given in the Terrace Room by the Bank of Louisville.

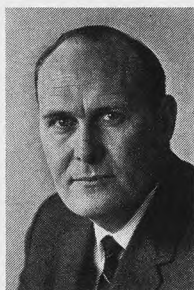
### Convention Speakers



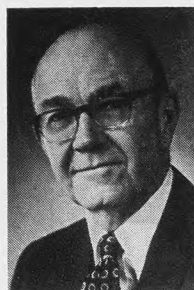
MORTHLAND



WILLARD



PEACOCK

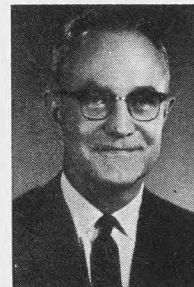


ADAMS

Citizens Fidelity's "Annual Breakfast" will be held at 8:15 o'clock September 14 in the Flag Room. The latter room will be the scene of Louisville Trust's "Pre-Banquet Reception" from 5:30-6:45 that night.

Convention registration will begin at 1 p.m. September 12. The traditional program of remembrance is scheduled for 10:15 a.m. September 14 in the Mirror Room. The KBA resolutions committee will make its report during the fourth general session on the 14th.

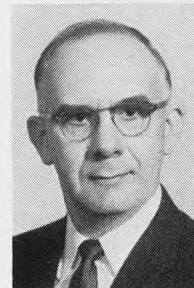
### KBA Officers



DOBBINS



SHEPHERD



GOSNEY

**KBA Officers.** Innes W. Dobbins Jr., KBA president, became a banker in 1933, when he joined Liberty of Louisville. He moved up to vice president in 1935, subsequently elected a director, named executive vice president in 1965 and president in 1967. Last February, Mr. Dobbins was named chairman and CEO.

Howard Gosney, KBA president-elect, has been president of West Side Savings Bank in his native Newport since 1960. A banker since 1925, he has spent the entire time with the same bank. He moved up from assistant cashier (1932) to first assistant cashier (1936) to cashier (1943) to executive vice president (1946) and then president (1960). He was elected to the board in 1936.

KBA Treasurer C. C. Shepherd entered banking in 1947 as acting cashier of the Bank of McCreary County, Whitley City. He became cashier in 1949, executive vice president and cashier in 1958 and president and cashier in 1964. Before becoming a banker, Mr. Shepherd was a teacher and grocer. He is a past president of KBA's Group Seven. • • •



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Jim McKenzie is vice president of our Correspondent Bank Marketing Department. If he's out, ask for Leonard Kernan or Bill Luckett or Henry Ormsby or Doug Steele.



# Tennessee News

## Top-Management Changes Announced in Memphis For First Nat'l and HC

MEMPHIS — Top-management changes at First National Holding Corp. and its principal subsidiary, First National Bank, were announced last month.

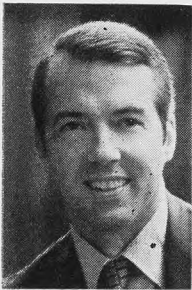
Ronald A. Terry moved up from executive vice president to president of the holding company. He succeeded Early F. Mitchell, who retired August 31. (See page 21.) Allen Morgan remains chairman and chief executive officer of the holding company.



KEHOE



W. W. MITCHELL



TERRY



VORDER BRUEGGE

At First National Bank, William Cullen Kehoe was elected president and Mark Vorder Bruegge executive vice president in charge of the administrative group. William W. Mitchell, formerly president, became chairman, and Mr. Morgan was made vice chairman. Frank D. Benton was elected vice president in the commercial loan division.

Mr. Terry, with the bank since 1957, was with the correspondent bank division from the time he completed a training program until 1968, when he was named head of the branch division. Last year, he was named executive vice president and later head of the retail group. In April, 1971, Mr. Terry was named a director of the holding company and a month later was elected its executive vice president.

Mr. Kehoe went to the bank in 1955 and was made executive vice president in 1970. This year, he was named head of the bank's corporate group. He has worked in the branch and national divisions and has been manager of the international division.

William Mitchell, on the bank's staff since 1935, became president in 1969. He is a past president of Robert Morris Associates.

Mr. Vorder Bruegge, with the bank since 1950, has served in the commercial loan division and has headed the branch and operating divisions. He became senior vice president in 1965.

### First National of Tullahoma Elects J. C. Eoff President

TULLAHOMA—James C. Eoff Jr., formerly executive vice president and cashier, has been elected president of First National. He succeeds Hubert A. Crouch, who resigned as president but will remain chairman. B. L. Smith is the new executive vice president.

Mr. Eoff has been with the bank 19 years. He was elected a vice president in 1963 and executive vice president in 1969. Mr. Crouch, who had been president since 1963, is also executive vice president of Third National, Nashville.

Mr. Smith has been with the bank since 1969 as vice president. Previously, he had been a national bank examiner.

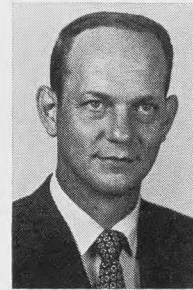
### First American Nat'l Opens New Rivergate Branch

NASHVILLE—First American National recently held a ribbon-cutting ceremony to open its new Rivergate Branch. The new building has seven teller windows and three drive-up windows. Robert G. Lamons is branch manager and John Squires is assistant manager.

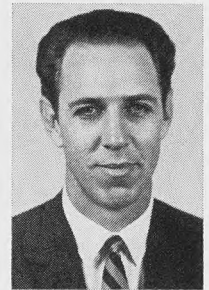
Throughout the grand-opening celebration, visitors participated in First American's Treasure Chest, with a chance to win all the coins they could remove with both hands from a large box of assorted change.

■ AMERICAN NATIONAL, Chattanooga, has announced plans for construction of a branch office in Red Bank. The 3,200-square-foot building will have two drive-in windows. Construction will begin this fall and is expected to be completed in the spring of 1972.

### Henderson, Compton Named VPs At Hamilton Nat'l, Chattanooga



HENDERSON



COMPTON

CHATTANOOGA—Hamilton National promoted C. Dan Henderson and Donovan E. Compton to vice presidents. Mr. Henderson is in the commercial loan department and Mr. Compton heads the data processing division.

Mr. Henderson joined Hamilton National in 1956 after serving with the U. S. Air Force and Mr. Compton came to the bank in 1968 as data processing operations manager.

### First American National Corp. To Acquire Mortgage Firm

NASHVILLE—First American National Corp., holding company of First American National Bank, has announced plans to acquire Guaranty Mortgage Co. Conclusion of the acquisition is subject to approval of the two institutions and of regulatory authorities.

Guaranty Mortgage will operate as a separate subsidiary and officials said no personnel changes are anticipated. The mortgage company is headquartered here and has offices in Chattanooga, Kingsport, Knoxville and Jackson and services more than \$290 million in commercial and residential mortgages.

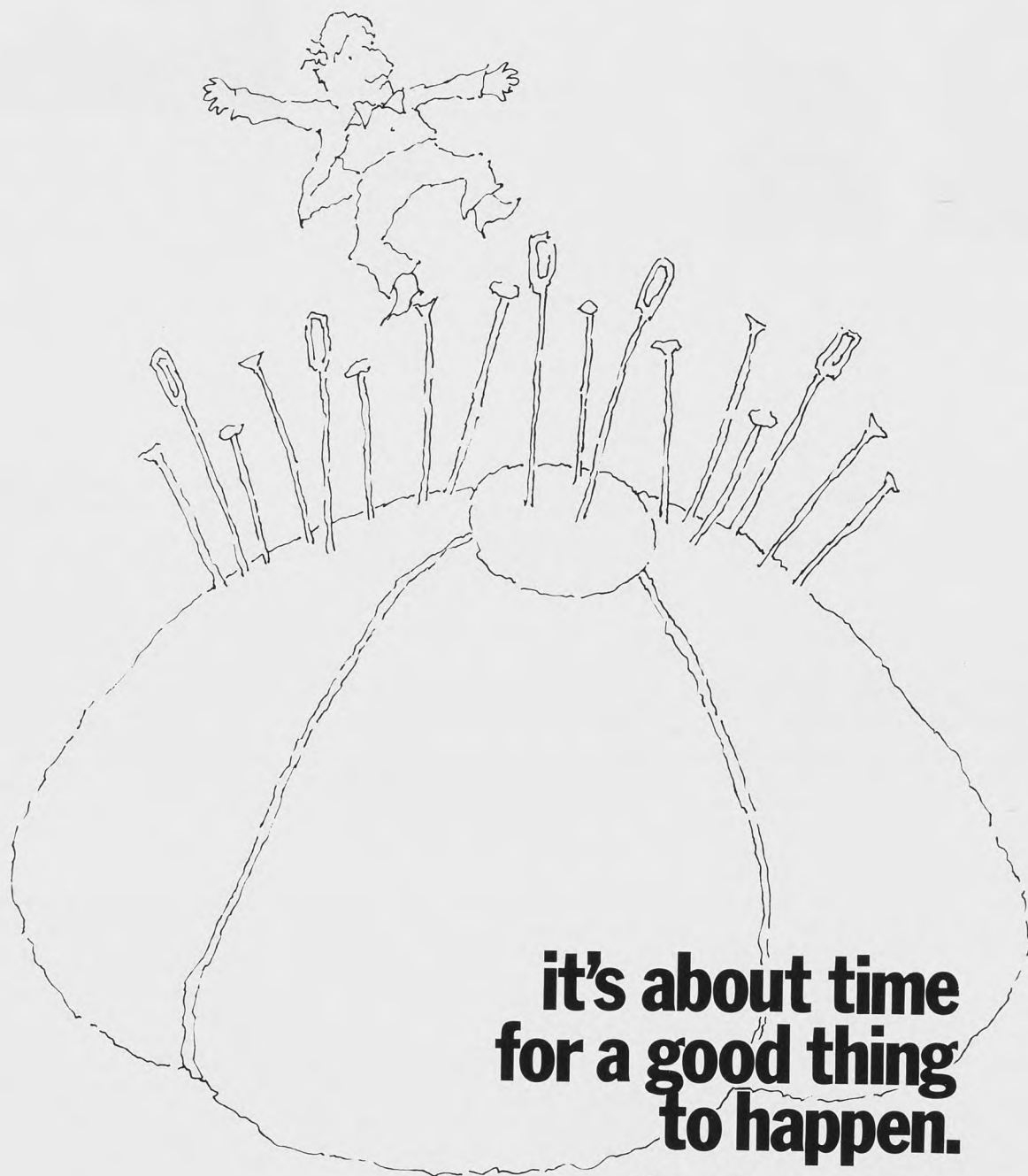
■ RAY ALBRIGHT was elected an assistant vice president of United Bank of Chattanooga. He will head the bank's marketing, public relations and business development programs. Homer T. Parks, partner in a contracting firm, was elected a director.

■ LOUIS H. DILLION has joined Commerce Union, Nashville, as assistant vice president in the commercial banking department. Previously, he was senior examiner with the Federal Reserve Bank of Atlanta and an assistant examiner with the FDIC.

■ DAVID L. HILL has retired as vice president and branch manager of Hamilton National, Chattanooga, after 38 years of service. He served as manager of the Brainerd Branch for 25 years.



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# Alabama News

## Lynn Mosley Elected President Of City National, Tuscaloosa



MOSLEY



LeMAISTRE

TUSCALOOSA—Lynn H. Mosley has been elected president of City National. He formerly was president of City National of Birmingham. Mr. Mosley succeeds George A. LeMaistre, who is now chairman and chief executive officer. Mr. LeMaistre, immediate past president of the Alabama Bankers Association, had been president of the bank since 1960.

Mr. Mosley was first vice president of City National here from 1959 until 1963. At that time, he went to Birmingham and was named president of City National there in 1968.

## First National Bank, Mobile, Lists Recent Promotions

MOBILE—First National recently announced several officer promotions. Named assistant vice presidents were David H. Akridge, Emil T. Graf III and Paul P. Redmond Jr.

Mr. Akridge is manager of the Midtown Office. He joined the bank in 1959 and was elected assistant cashier in 1966 and branch manager in 1969. Mr. Graf, who came to the bank in 1965, was named an assistant cashier in 1969 and marketing officer later that year. Mr. Redmond, assistant comptroller, has been with the bank since 1961.

Other promotions included: Gordon R. Boyles and John W. McNichol Jr., branch officers; Richard J. Curry, manager, Brookley Office; Bobby J. Johnson, trust operations officer; Earl M. McDonald, loan officer; F. Anthony Poggi Jr., trust officer; Miss Beth Polard, assistant comptroller; and John F. Whatley, international officer.

■ BIRMINGHAM TRUST NATIONAL recently elected three new officers. Mrs. Gloria M. Yates was appointed assistant cashier and Thomas S. Jones Jr.

and Thomas A. Melton were elected assistant data processing officers. Mrs. Yates, assistant manager of the North Birmingham Office, joined the bank in 1952. Mr. Jones came to the bank in 1965 and Mr. Melton in 1961.

## First of Montgomery Announces Three Organizational Changes

MONTGOMERY—First National recently made three organizational changes. The bank announced that Charles E. Lanphier, senior vice president, will assume new duties in the area of corporate planning with First Alabama Bancshares, Inc. First National is an affiliate of the holding company.

Succeeding Mr. Lanphier as head of the investment department is William C. Youngstrom, who was promoted to vice president and investment officer. Mr. Youngstrom joined the bank in 1967 and was named an assistant investment officer in 1969.

John A. Holleman was promoted to correspondent bank investment officer and will head the correspondent bank investment division. He came to the bank in 1968 and previously was an assistant investment officer.

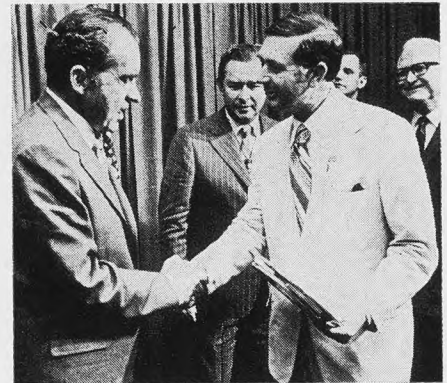
## Merchants National of Mobile Names Two Vice Presidents

MOBILE—Merchants National has elected T. Kimbrell Harris and William G. Harrison Jr. vice presidents. Mr. Harris is in the commercial loan department and Mr. Harrison in the mortgage department.

Mr. Harris joined the bank in 1960, was elected assistant cashier in 1967 and assistant vice president in 1968. Mr. Harrison, who has been with the bank since 1955, was advanced to assistant cashier in 1963 and to assistant vice president last year.

Elected assistant cashiers at the bank were Robert H. Massey, Master Charge-Bancardchek department, and Miss Dorothy Dorgan, correspondent bank department. Miss Lillian Jackson was elected assistant trust officer.

## Pless Presents Tray to Nixon

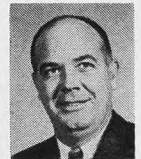


Norman Pless, pres. & CEO, Exchange Security, Birmingham, presents President Richard Nixon with a silver tray commemorating Birmingham's 100th anniversary. Mr. Pless is president of the Birmingham Chamber of Commerce and executive vice president of the Birmingham centennial committee.

■ THREE PROMOTIONS have been announced at State National Bank of Alabama, Decatur. Glenn C. Blackwell and John F. Manning were elected assistant vice presidents and George A. Geyman was named assistant cashier.

## Charge Account Bankers Assn. Elects McSwain Vice Pres.

BIRMINGHAM—Jack L. McSwain, vice president and director of the Master Charge division at First National, has been elected vice president of the national Charge Account Bankers Association.



McSWAIN

Mr. McSwain's election took place recently at the 18th annual conference of the association at Freeport, Grand Bahamas. The association was formed 19 years ago to serve banks offering credit card services.

## First of Birmingham Opens Financial Data Center

BIRMINGHAM—First National has announced formation of a bank service corporation at Anniston to serve area banks and the local business community. The corporation is to be known as the Financial Data Center of Alabama.

Banks in the Anniston region, including Anniston National and First National of Anniston, will share in the ownership of the company. Member banks will be capable of offering data processing services to local businessmen and merchants.

■ ROBERT L. McCARY has joined Central Bank, Birmingham, as an area representative in the correspondent banking department. Mr. McCary has 11 years' experience in the banking, finance and insurance fields.





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# Mississippi News

## Guyton Resigns as Exec. VP Of Deposit Guaranty Nat'l

JACKSON—Robert P. Guyton has resigned as executive vice president and manager of the marketing and branch divisions of Deposit Guaranty National. He has accepted the position as president of National Bank of Georgia, Atlanta.



GUYTON

Mr. Guyton came to Deposit Guaranty in 1960 and was named assistant to the president in 1966. He was elected senior vice president in 1969 and later that year became executive vice president.

■ AUGUSTUS T. EVANS has been elected a director of Merchants & Farmers Bank, Macon.

■ JOHN P. RUTLEDGE, assistant cashier, Peoples Bank, Tupelo, has been named manager of the bank's new Traceway Branch. Lawson McClellan replaces Mr. Rutledge as manager of the East Heights Branch.

■ STATE BANK, Collins, has received approval to establish a new drive-in motor branch. Construction of the new Cross Roads Branch is expected to be completed by the end of the year.

■ COMMERCIAL NATIONAL, Laurel, promoted Burlon W. Commer to installment loan officer. He joined the bank last January. Carl E. Blackledge Jr. has joined the bank as business development officer. For the past two years, he had been Master Charge marketing manager at Fort Worth National.

■ STATE BANK, Brookhaven, recently held an open house to celebrate its 35th anniversary.

■ FIRST NATIONAL, Jackson, promoted Harold L. Weess to assistant cashier. Mr. Weess began his banking career with First National in 1969 and now is assistant manager of the Poin Dexter Office.

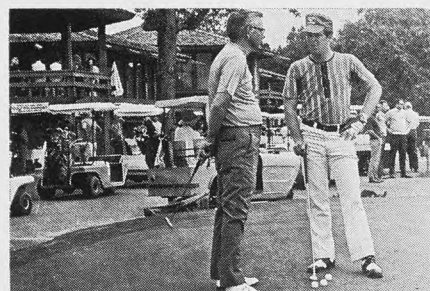
■ W. C. STONE JR. has been named to the advisory board of the Okolona Branch of First Citizens National, Tupelo. He is owner and operator of Okolona Hardware & Appliances.

■ W. C. DOWNER, formerly executive vice president, Bank of Macon, has been elected president of the bank. Mr. Downer, who has been with the bank 48 years, succeeds the late W. P. Chancellor. Mr. Chancellor's son, Lester M. Chancellor, was elected chairman and a vice president.

■ CITIZENS BANK, Byhalia, recently opened its new building.

■ C. O. DEAN SR., chairman, Bank of Leland, recently celebrated his 50th year with the bank.

## 1st of Meridian Golf Tournament



Bill Mason (l.), of Hattiesburg, talks with David Thoms, aud., Commercial National, Laurel, after playing in First National Bank of Meridian's third annual invitational golf tournament. Mr. Mason was the tournament winner with a low score of 76. The tournament was attended by about 50 bank officials and their wives.

■ W. M. BUTLER, agricultural industrialist, has been elected to the newly created position of vice chairman at Coahoma National, Clarksdale. He has been a director of the bank since 1964.

■ JOHN BALES has been elected an assistant cashier of First National, Aberdeen. He joined the bank last April as head of the installment loan department.

■ BILLY R. POWELL, assistant vice president and petroleum engineer, Deposit Guaranty National, Jackson, has assumed management of the bank's petroleum department. He succeeds John T. Chandler, vice president, who has resigned. In other action, Billy W. Estes was promoted to credit officer.

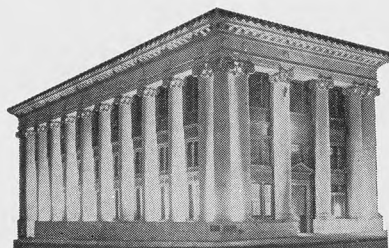
## Mississippi Deaths

CHARLES H. KOESTLER SR., 74, director, Merchants National, Vicksburg.

LIONEL MITCHELL, 54, chairman, First Columbus National.

Mr. Mississippi Banker:  
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## Convention Calendar

### MID-CONTINENT AREA (1971)

Kentucky, Sept. 12-14, Louisville, Kentucky Hotel

### MID-CONTINENT AREA (1972)

Alabama, May 17-19, Birmingham

Arkansas, May 7-9, Hot Springs, Arlington Hotel

Illinois, May 21-23, St. Louis, Sheraton-Jefferson Hotel

Indiana, June 14-15, French Lick, French Lick-Sheraton Hotel

Kansas, May 17-19, Topeka

Louisiana, April 29-May 2, New Orleans

Mississippi, May 22-24, Biloxi, Buena Vista Hotel

Missouri, May 14-16, St. Louis, Stouffer's Riverfront Inn

New Mexico, June 8-10, Las Cruces, Palms Motor Hotel

Oklahoma, May 10-11, Oklahoma City

Tennessee, May 14-17, Knoxville, Hyatt House

Texas, May 7-9, San Antonio

### NATIONAL (1971)

ABA Agricultural Credit Conference, Nov. 14-16, Kansas City, Hotel Muehlebach

ABA Convention, Oct. 16-20, San Francisco

ABA Credit Card Conference, Oct. 25-27, New Orleans, Roosevelt Hotel

ABA Personnel Conference, Sept. 26-29, Los Angeles, Century Plaza Hotel

ABA Trust Conference, Sept. 23-25, Denver Bank Administration Institute, Nov. 7-10, Miami Beach

Bank Marketing Assn., Sept. 26-29, New York City, Americana Hotel

Consumer Bankers Assn., Oct. 24-28, Phoenix, Arizona-Biltmore Hotel

Nat'l Assn. of Bank-Women Inc., Oct. 6-10, New Orleans, Fairmont-Roosevelt Hotel

Robert Morris Associates, Oct. 23-27, Los Angeles, Century Plaza Hotel

### NATIONAL (1972)

ABA, Oct. 7-11, Dallas

ABA Marketing Conference, March 21-24, San Francisco, St. Francis Hotel

AIB, May 29-31, San Francisco

### Bank Foundation Local Tie-Ins Feature 'Look to Us' Ad Theme

The Foundation for Full Service Banks is offering a new campaign of local bank advertising tie-ins, linking individual banks to the national advertising program.

The new campaign picks up the Foundation's "helping is our business" theme that is being promoted nationally on network TV. The tie-in program presents the local selling theme "Look to Us. A Full Service Bank."

Campaign material includes a statement enclosure, newspaper ads, radio scripts, counter display and automated floor display.

MID-CONTINENT BANKER for September, 1971

## LOOKING FOR A BANK?

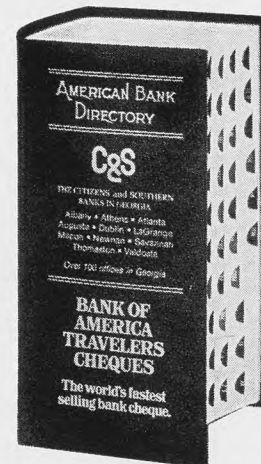
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- arranged in order of states
- shows names of officers, directors, and principal correspondents
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- has address, telephone number, area code, transit number, and date of establishment
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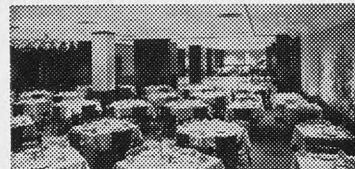
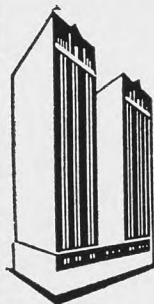
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## Louisiana News

### Clebert C. Smith Is Appointed Asst. State Bank Commissioner

BATON ROUGE—Clebert C. Smith has been appointed assistant state bank commissioner. He retired in 1968 as executive vice president of First National Bank of Commerce, New Orleans. He joined the correspondent department of the bank in 1951, was named senior vice president and executive vice president in 1958.



SMITH

Mr. Smith began his career in 1916 with Central Bank, Mansura. While working for the state banking department from 1933 to 1951, he was named deputy commissioner.

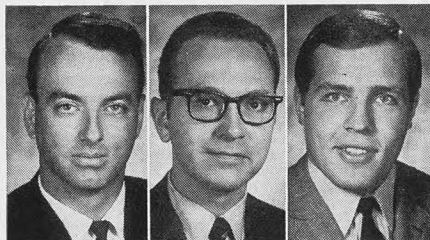
### Webster Bank Receives Charter; J. Harper Cox Jr. Named Pres.

MINDEN—The new Webster Bank has received its charter and will open with a capital structure of \$500,000. The bank will be completely automated with the First National Computer Center, Inc., of West Monroe.

J. Harper Cox Jr. has been elected president and a director of the new bank. He formerly was a vice president of Pioneer Bank, Shreveport. Robert H. Davis is vice president, cashier and a director.

Other directors include Herbert L. Byars, John L. Copeland Sr., Gary G. Daniels, Richard B. Garrison, J. Y. Littleton, J. Grady Madden, James D. Madden, J. E. "Pat" Patterson, W. Edwin Shuler and Marcus D. Wren.

### City National Promotes Three



ADKINS

DUGAS

STONICH

City National, Baton Rouge, recently elected three new assistant cashiers. They are: Thomas R. Adkins, assistant manager of the Plank Road Branch; Lynn E. Dugas, Master Charge department; and Richard Stonich, installment loan department.

■ MRS. MARY FRANCES SANDERS has joined First National Bank of Commerce, New Orleans, as a trust officer. She previously held the same position at Houston Citizens Bank, where she had been since 1956. First National also appointed Miss Carol Ann Robichaux a banking officer. She joined the Howard Avenue Office of the bank in 1953 and currently is assistant manager.

### First Metropolitan Opens Office



First Metropolitan Bank, Metairie, recently held ribbon-cutting ceremonies for its new Causeway Office. Above, Charles J. Derbes Jr. (l.), ch. and pres., greets Miss Bonnie Hughes, who is Miss Jefferson Parish, and Parish President Tom Donelon, who arrived at the ceremony in an antique auto driven by owner Andrew Navarre.

### Bank Administration Institute Names Doolen State Director



DOOLEN

NEW ORLEANS—Philip E. Doolen, auditor at Whitney National, has been appointed to a two-year term as Louisiana director for Bank Administration Institute.

Mr. Doolen joined Whitney National in 1954, was named assistant cashier in 1964 and auditor last January. He is a past president of the New Orleans Chapter of BAI.

■ DR. HENRY E. BRADEN III was elected a director of ICB Corp. and of its wholly owned subsidiary, International City Bank, New Orleans.

■ BEN RICE DOWNING JR., partner in a law firm, has been elected a director of American Bank, Baton Rouge. He succeeds Ben R. Miller Sr.

■ GUARANTY BANK, Morgan City, has promoted Y. George Ramirez Jr. from assistant cashier to cashier. Barton Blanco and Jerry Listi were named assistant cashiers. Mr. Ramirez joined the bank in 1967, Mr. Blanco in 1968 and Mr. Listi in 1970.





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NATIONAL BANK OF NEW ORLEANS

# Arkansas News

## Worthen Bank Elects Schaufele Vice President and Controller

LITTLE ROCK—Worthen Bank has elected Louis Schaufele vice president and controller. Mr. Schaufele, who has been controller and manager of the controller division since 1967, recently assumed management of the combined controller-operations division.



SCHAUFELE

For the past three years, Mr. Schaufele has been director of the bank's profit planning conference for correspondent banks. He also is treasurer of First Arkansas Bankstock Corp.

Other promotions at Worthen included: James D. Ross, cashier; Robert Allen, Wynton Moore and Randy Reagan, assistant cashiers; Larry Graybill, methods analyst; Willie Lock, new accounts officer; and Norman Owen, data systems officer.

Elected administrative assistants were: Miss Guinevere Booe, George Bowman, Ralph Fort, Miss Patricia Jones, Felix Knight, Miss Patricia Phillips, James R. Ross, Danny Stobaugh and Woodlief Thomas.

■ JAMES T. HARPER III has been named auditor of First American National, North Little Rock. He joined the bank in 1968 and in 1969 was named an audit trainee.

■ BANK OF WEST MEMPHIS has promoted Paul Neal from installment loan officer to assistant cashier. He joined the bank in 1969 as a trainee in the loan collection department. Last year, he was named manager of the department.

## Stock Split, Dividend Approved By Union Bank Stockholders

BENTON—Stockholders of Union Bank recently approved a 2½-for-one stock split and declared a 40% stock dividend. The dividend boosted capital from \$310,000 to \$460,500.

The bank also announced formation of an employee stock-option plan, a wholly owned subsidiary to own real estate for the bank and plans for enlarging the Main Office and constructing a new building for the Military Branch.

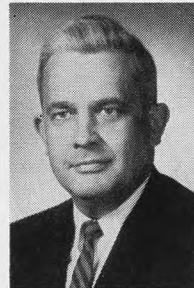
■ H. GATES WILLIAMS JR. has joined First State, Crossett, as vice president and cashier. He has served as assistant vice president of First National, Warren, and as branch manager of First National, Shreveport, La.

■ L. E. DURAND was elected president of Security Bank of Harrison. Mr. Durand, president of Arkansas Acceptance Corp., has been a director of the bank since 1954. Frank L. Coffman Sr., who had been president since 1968, was elected chairman.

■ R. D. CRANFORD, vice president of Bank of Rector, has been elected a director.

## City National of Fort Smith Elects Williamson President

FORT SMITH—Adrian Williamson Jr. has been elected president of City National. Edward H. Smoot, who has been president of the bank since 1962, was named vice chairman and head of the public relations department.



WILLIAMSON

Previously, Mr. Williamson was vice president in charge of the international division at Union National, Little Rock. He has served as executive director of the Arkansas Industrial Development Commission and before that was an officer at Commercial National, Little Rock.

■ BANK OF QUITMAN has advanced Harry M. Clark from assistant cashier to assistant vice president. He has been with the bank two years.

## Richard Gates, Emmett Darr Retire from Worthen Bank



GATES



DARR

LITTLE ROCK—Richard F. Gates, senior vice president and manager of the investment division, and Emmett L. Darr, senior vice president, cashier and manager of the operations division, have retired from Worthen Bank.

Mr. Gates, who will act as consultant to the president, joined Worthen in 1956 as a special representative in the correspondent bank department. He was named vice president and manager of the investment division in 1966.

Mr. Darr joined the bank in 1929 and has served as cashier since 1955.

■ HORATIO STATE has started work on an addition to its building that will double the area of the bank. The new addition will feature a community and board room, an employees' lounge, new bookkeeping area and a drive-up window. Work is expected to be completed in October.

■ MALVERN NATIONAL recently remodeled its building and constructed a two-story addition containing 4,000 square feet.


■ BANK OF CAVE CITY recently opened its new 3,000-square-foot building. The \$100,000 structure has a night depository and drive-in window.

■ CLEBURNE COUNTY BANK, Heber Springs, has increased its surplus from \$100,000 to \$200,000.

■ JESS C. MERKLE has been elected a director of First National, El Dorado. He is a vice president of Pillsbury Co. and general manager of Pillsbury Farms.

■ FIRST AMERICAN NATIONAL, North Little Rock, has elected Jack Hawkins a director. He is general manager of the Sears store in Little Rock.

■ WORTHEN BANK, Little Rock, recently appointed three new assistant vice presidents. They are: Fritz B. Goodbar, manager of the savings department; Clyde Swint, head of data services marketing; and F. Micheal Williamson, supervisor of the corporate public relations program.



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Accounts Receivable Inventory Financing—Jack Donaldson—(901) 534-2331

Commodity Division—Bob Hughes—(901) 534-1608

International Division—Preston Haag—(901) 534-2216

Correspondent Banks—Armistead Smith—(901) 534-1393

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# Texas News

## Southern Nat'l Names Daniels Head of Correspondent Div.



DANIELS

HOUSTON — Southern National has promoted Thomas E. Daniels to vice president in charge of the correspondent banking department. He replaces W. Temple Webber Jr., who is now senior vice president in charge of the marketing division.

Mr. Daniels has been with Southern National since 1964 and has worked in the correspondent division for the last four years. He is a graduate of Rice University.

## Preston State to Conduct Nat'l Credit Card School

DALLAS—Preston State will hold the 11th session of its National Credit Card School for Bankers on September 27.

The five-day school will explore credit card theory and will include on-the-job training. Study material is designed to aid banks of all sizes in setting up and operating effective credit card programs without costly trial-and-error periods. The session will feature special emphasis on profitability measurements including cost-category trending.

■ FRANKLIN BANK, Houston, has appointed Mrs. Ina R. Brown cashier. She had been in operations and personnel at Capital National, Houston, and before that was associated with Southern National, Houston, and First National, Harlingen.

■ FIRST NATIONAL, Odessa, has advanced Boyd Jumper from assistant cashier to assistant vice president, installment loan department. He has been with the bank since 1958 and has worked in the commercial credit, book-keeping and data processing departments.

■ SOL LITT IV has been elected chairman of Valley Bank, El Paso. He succeeds Alvin J. Marks, who recently died. Mr. Litt, who is inactive vice president, has been a director since the bank opened in 1968.

■ KENNETH W. BARNES has been named vice president, loan officer and credit manager of Homestead Bank, Houston. Mrs. Audrey Warren was elected assistant cashier and note department supervisor. Mr. Barnes has been with the bank one year and Mrs. Warren since 1966.

■ SOUTH MAIN BANK, Houston, appointed H. Wayne Gray vice president in charge of operations and cashier. Mr. Gray had been senior vice president of River Oaks Bank, Houston. Elected assistant cashiers at South Main were Frank L. Barton and Julian B. Mastin Jr.

■ GENE GARRISON has joined National Bank of Commerce, San Antonio, as a vice president. He will be responsible for establishing an agricultural department. For the past eight years, Mr. Garrison had been with First National, Gonzales, serving as vice president and a director.

■ FROST NATIONAL, San Antonio, promoted William E. Wise to assistant vice president and David W. Rece to BankAmericard officer. Mr. Wise joined the BankAmericard staff in 1968 and was elected assistant manager of the department in 1969. Mr. Rece, who came to the bank in 1969, is manager of BankAmericard credit and collections.

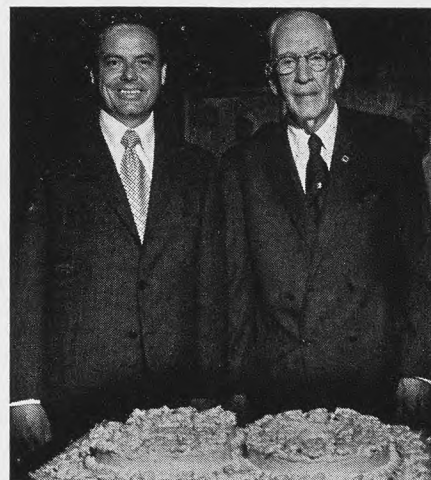
■ DON WIGLEY is now chief executive officer of Merchants Park Bank, Houston, with the title of executive vice president. Gary Falke is cashier.

## Republic Nat'l Police Scholarship



Dallas Police Lt. Bird E. Senter (r.) recently was presented the Republic National Bank police scholarship award—a \$2,100 check covering his tuition for a nine-month course of study at the Traffic Institute of Northwestern University, Evanston, Ill. Presenting the award is James W. Keay, Republic National pres. At left is Police Chief Frank Dyson, recipient of the same award in 1958.

## Bank Honors Retired Chairman



Paul Mason (l.), ch. and pres., First National, Fort Worth, honored J. Lee Johnson Jr., the bank's retired ch. and CEO, with a luncheon on Mr. Johnson's 80th birthday. In the foreground is a figure "80" cake. Mr. Johnson retired from the bank in 1961.

## Republic National Bank, Dallas, Announces Ten Promotions

DALLAS—Republic National has announced several promotions. Alfred F. Edwards was advanced from manager of systems and methods planning to vice president in banking services. Terrence M. Peake, formerly manager of manpower planning, will succeed Mr. Edwards as manager of systems and methods.

Samuel J. Atkins III was named banking officer in the petroleum and minerals division and Glenn S. Echols was elected administrative officer in the controller's division.

Trust promotions included: George T. Haase, trust officer; Allen B. Clark and William S. Myres, trust investment officers; and William H. Bogart, John T. Neal and William D. Summerville, trust administrative officers.

■ MICHAEL D. NORRIS has joined Texas Bank, Temple, as cashier. Formerly, he was assistant to the cashier at South Main Bank, Houston.

■ FRANK JUNELL and L. Gray Beck were elected directors of First National, Brownwood. Both had been serving as advisory directors since last February. Mr. Junell is president of Central National, San Angelo, and Mr. Beck is president of General Telephone Co. of the Southwest.

■ ELMER ROBERTS will join First National, Waco, as a vice president on October 1. For the past seven years, he has served as Waco city manager.



# Republic Bank and Japan look to the year 2000



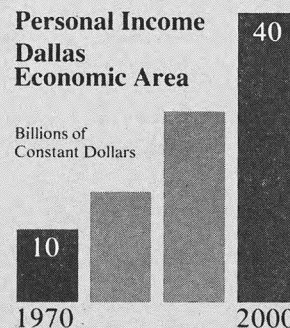
“It has been projected that between 1965 and the year 2,000 Japan’s gross national product will increase by more than 500%. During that same period, the GNP of the United States will double.

This staggering growth will intensify the needs for large and efficient systems of financial services between our nations.

“Predictions are that Dallas Economic Area buying power, now measured by personal income of \$10 billion annually, will quadruple (in real terms) by the year 2,000, at a growth rate far exceeding the United States as a whole. The new Dallas-Fort Worth Airport — largest in the world — to open in 1973 with unexcelled cargo and passenger capacity, will bring the economies of Japan and North Texas closer together. Republic National Bank of Dallas — largest in the Southern United States, with \$2.5 billion in resources — is at the financial heart of this dynamic region.

“With the opening of our new office in Tokyo, Republic has already taken the first step toward this future. We cordially invite you to explore with us the many ways in which Republic may serve you today and tomorrow.”

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# New Mexico News

### Grant Brumlow Acquires Stock In Three New Mexico Banks

ALBUQUERQUE—Grant O. Brumlow, president and chairman of Citizens Bank, has acquired stock in First National, Clovis. American National, Silver City, and Bank of Santa Fe. The stock was purchased from the Antweil-Price group of investors, headed by Alan Antweil, Hobbs oil man, and Michael Price, president of Farmers & Merchants, Las Cruces.

Mr. Brumlow was with First National Bank of Dona Ana County, Las Cruces, for 6½ years and served as state commissioner of banking from 1968-1969. He joined Citizens Bank as chairman last year.

### First of Roswell to Affiliate With Bank Securities, Inc.

ROSWELL—Stockholders of First National have approved affiliation of the bank with Bank Securities, Inc., of Alamogordo, pending permission of regulatory authorities.

Kenneth C. Bonnell, executive vice president and director of Bank Securities, has been elected the new president of First National. Mr. Bonnell, who has been in banking since 1949, became president of Security Bank, Alamogordo, in 1969 and chairman in March, 1970. Security Bank also is a member of Bank Securities.

Paul Creek, vice president and auditor of Bank Securities, was elected senior vice president of First National. A banker in New Mexico and Texas, he has served as an assistant national bank examiner.

■ JACK L. JULIAN joined International State, Raton, as a vice president. For the past seven years, he was vice president and agriculture officer of Farmers & Merchants State, South Hutchinson, Kan.

■ RUIDOSO STATE has promoted Bruce Griffith from vice president to senior vice president and George H. Marsh Jr. from assistant cashier to cashier. Kenneth B. Cox was elected a vice president.

■ EDDIE DeANDA has been elected an assistant vice president and manager of the Los Lunas Branch of First National, Belen. He has been with the bank 10 years and formerly was Bosque Farms Branch manager. Wilson Ashcroft was named auditor of the bank.

■ CLYDE G. HAISTEN has joined First National, Portales, as vice president and agricultural representative. Previously, he was vice president and cashier of Citizens State, Vaughn.

■ LARRY RODGERS has been promoted to assistant cashier of Grants State and will handle installment loans and the bank's Master Charge department. He came to the bank in 1969 and most recently served as Milan Branch manager. Succeeding Mr. Rodgers as branch manager is Raymond Mirabal, who joined the bank last year.

■ FIRST NATIONAL, Albuquerque, has elected Mrs. Irene Demaline an assistant cashier. Mrs. Demaline, who joined the bank's bookkeeping department in 1961, is manager of the Manzano Office.

■ FARMERS & STOCKMENS BANK, Clayton, recently opened its new Des Moines Branch. Rex E. Reeves Jr. is manager.

### First of Hobbs Gets Approval To Open Branch in Lovington

HOBBS—First National has received approval to open a branch in Lovington. The \$200,000 building will be 5,000 square feet in area and is expected to be completed in February. Bob Dean, who recently joined the bank as vice president, will be branch manager.

In other action, the bank transferred Jack Kennedy, vice president and manager of the North Branch, to the Main Office. Richard Carney, who has been with the bank since 1967, succeeds Mr. Kennedy as manager.

■ DAVID R. MEYERS, assistant vice president, Bank of New Mexico, Albuquerque, was appointed manager of the Wyoming Office. He joined the bank last May. William M. Hayden Jr., assistant manager of the credit department, was elected an assistant cashier.

■ FIRST NATIONAL, Grants, has announced plans for a new motor bank, pending approval of regulatory authorities.

■ BANK OF LAS VEGAS has broken ground for a new branch bank building in West Las Vegas. The building is expected to cost about \$71,000.



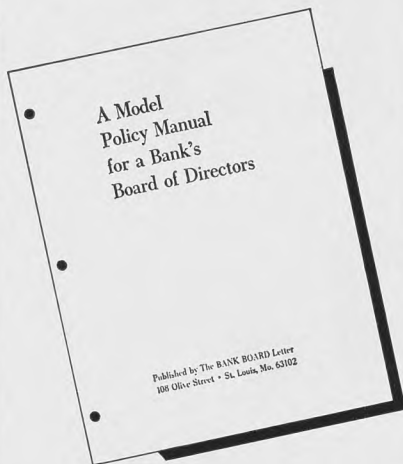
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# Oklahoma News

## Fourth National Gives Roses At Opening of Auto Bank

TULSA—Everything came up roses when Fourth National recently opened its new auto bank in the downtown area. More than 26,000 long-stem hybrid tea roses were given to visitors during the grand-opening week.

The roses, three in a milk-glass vase, were presented to drive-through customers by a special corps of young ladies in red, white and blue hot pants. The flowers were in keeping with the general garden atmosphere of the new auto bank. The facility features extensive landscaping with a variety of trees, shrubs and flowers planned to maintain color and foliage the year around.

Instead of the usual ribbon-cutting ceremony, a 1930 Rolls Royce, manufactured during the same year Fourth National began operations, was driven through a sheet of paper covering one of the five auto banking lanes.

The facility has a walk-in lobby, second-story employee lounge and electronic message center.



The first car to drive through Fourth National's new auto bank in downtown Tulsa was this 1930 Rolls Royce. The young ladies in red, white and blue hot pants gave free roses in bud vases to visitors during the grand-opening week.

## Eight Receive Promotions At Liberty National Bank

OKLAHOMA CITY—Liberty National recently promoted four officers and appointed four new ones.

Named assistant vice presidents were: Robert M. Hoffman, municipal finance department; B. J. Chillless, installment lending; Gary M. Gray, real estate department; and Paul D. Mercer, loan administration department.

Daniel D. Adams and Harold A. Bowers were elected loan administration officers. Mrs. Ruth Crowley was appointed operations officer and Jack L. Staubus trust officer.

## "Mr. 1st 75" Celebrates Birthday



Lance Paul Lawless was the first child born in Tulsa on July 29, 1970. That was First National's 75th anniversary day and in honor of the event Lance was named "Mr. First 75" and was presented a \$75 savings account. A year later, Lance is the guest of honor of the bank at his first birthday party and wears a "First Place" hard hat. With him are F. G. McClintock (r.), ch., and Russell F. Hunt, vice ch.

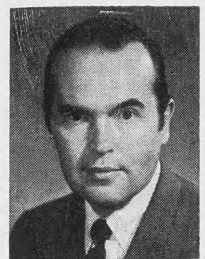
■ GEORGE J. ZAJAC has joined Stock Yards Bank, Oklahoma City, as vice president and commercial loan officer. He had been assistant vice president and loan review officer at First National and before that was with CIT Corp. for 10 years.

## BMA Forms Chapter in Tulsa; Alexander Named President

TULSA—The first chapter of the Bank Marketing Association in north-east Oklahoma has been formed in Tulsa and officers and directors have been announced for 1971-72.

Lindsay L. Alexander, vice president of marketing, First National, was elected chapter president. Other officers are: vice president, Barry Hudson, vice president, First National, Bartlesville; secretary, Miss Edith Rockecharlie, assistant vice president, Utica Square National; and treasurer, Fred Setser, senior vice president, Fourth National.

In addition to the four major officers, directors of the new chapter include: John Ferguson, assistant vice president, Bank of Commerce; Lee Hubby, assistant cashier, National Bank of Tulsa; Tracy Kelly, president, American National, Bristow; and Earl Lewis, executive vice president, City Bank. The international director is Lee J. A. Bentley, a representative of Biacsabanka & Trust Corp., Switzerland.

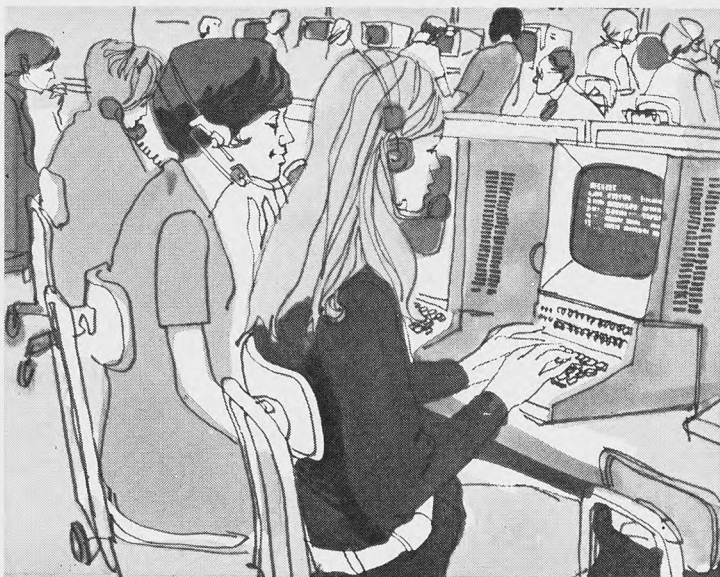


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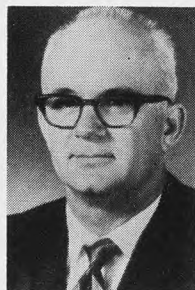
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### Group Meeting Speakers



HURST



JARVIS

### 1971 Group Meetings

- Group 1—Oct. 7, Emporia
- Group 2—Oct. 5, Columbus
- Group 3—Sept. 30, Russell
- Group 4—Oct. 6, El Dorado
- Group 5—Sept. 29, Hays
- Group 6—Sept. 28, Scott City

## *Senior Consultant and Humorist Head Programs at KBA Groups*

### Group Chairmen



HUGHES



HAMLET



SHAFFER



ROBERSON



HESS



HOLLOWAY

THE 1971 Kansas Group Meetings, which will be held from September 28 through October 7, will feature presentations on leadership in banking by Allan Hurst, senior consultant of Lawrence-Leiter & Co., Kansas City, and talks by Dr. Charles Jarvis, billed as "America's number one humorous speaker."

The programs for each group meeting are identical. Concurrent sessions for CEOs and other officers and personnel begin at 2 p.m.

The CEO session will feature opening remarks by KBA President Arthur J. Collins, president, Hutchinson National. KBA Vice President J. Rex Duwe, vice president, Farmers State, Lucas, will list specifics and ask for new proposals regarding federal legislation. Then Harold Stones, KBA director of research and economic education coordinator, will discuss state legislation and present any recommendations for such legislation by the KBA committee on banking.

Goals for a statewide advertising and public information program will be presented by Wayne Starr, chairman and president, Citizens State, Hiawatha.

President Collins and KBA Executive Vice President Carl A. Bowman will conduct a workshop on how KBA can be more responsive to the needs of its members. Included in the workshop will be the improvement of communications and educational programs.

The principal portion of the session for other officers and personnel will consist of Mr. Hurst's presentation of

leadership in banking. For the past 11 years, Mr. Hurst has been engaged in designing and handling marketing programs in a variety of industrial and consumer fields, including securities, printing, food and automotive fields. He has conducted seminars for many industries as well as for the University of Kansas in areas of marketing and sales analysis, management analysis and personal leadership. His current emphasis in training activity is in management and supervisory training and development with the construction industry, agriculture-business industry and dental field.

Following a social hour will be the traditional banquet, featuring election of group officers and Dr. Jarvis' speech, entitled "This Won't Hurt—Much."

Dr. Jarvis is a dentist who has switched careers several times—from Navy line officer to pilot to dentist to speaker. He has been speaking professionally since 1961, averaging more than 140 talks a year.

His addresses carry a message of spiritual reward and success, but are primarily entertaining—85% humor and 15% message. He is an elder of the First Christian Church in San Marcos, Tex., and a Sunday school teacher. He is known as a dentist whose patients are "using him less and enjoying him more."

Individually, the groups will meet as follows:

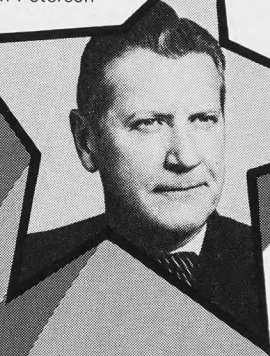
*Group One*, October 7, Emporia. The meeting will be conducted by the group chairman, Oliver Hughes, president and chairman, Citizens National,



Bill Webber



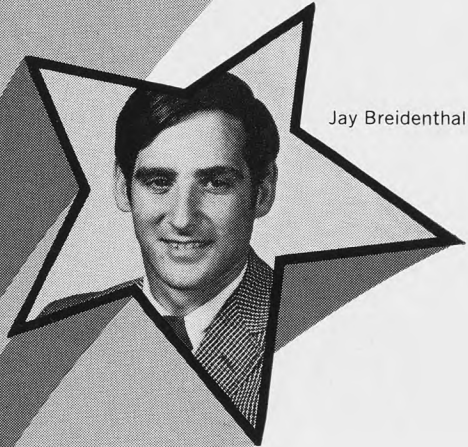
John Peterson



Gerry Mildfelt



Jay Breidenthal



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## Kansas Group Meetings (Continued)

Emporia. He has been chairman since 1965 and president since 1966.

Mr. Hughes is also chairman of Wichita State, is a former director of Stockyards National, Wichita, and former president and director of Park Lane Savings & Loan of Wichita. Currently he is a director of McCormick-Armstrong Co., Wichita; Educators Investment Co. of Kansas, Inc.; Topeka Transfer & Storage Co.; Atlas Oil Co., Wichita; and Key Co., Greensboro, N. C. He is a fellow of the Southwest-

ern Legal Foundation of Dallas and a director of the Emporia Chamber of Commerce.

*Group Two*, October 5, Columbus. W. Tedd Hamlet, vice president, Columbus State, is group chairman and will preside at the meeting.

Mr. Hamlet began his banking career as a teller at Brookside State, Tulsa, then moved to the transit department at Plaza Bank of Commerce, Kansas City. He served as a Kansas bank examiner from 1951-52, then joined his

present bank the following year as a teller. Following service as an assistant cashier, Mr. Hamlet was elected vice president and board secretary.

*Group Three*, September 30, American Legion Building, Russell. Group Chairman W. R. Shaffer, president, Home State, Russell, will preside. Mr. Shaffer joined his bank in 1936, was elected cashier in 1939, executive vice president and cashier in 1966 and president the same year. He has been a director of the bank since 1948. He is a past president of the Russell County Bankers Association.

*Group Four*, October 6, Butler County Community Junior College, El Dorado. The meeting will be presided over by Sam L. Roberson, president, Citizens State, El Dorado, group chairman. Mr. Roberson was a petroleum engineer prior to joining his bank in 1958. He was elected president and CEO in 1965 and is a graduate of the Graduate School of Banking at the University of Wisconsin.

*Group Five*, September 29, Union Building, Fort Hays State College, Hays. Group Chairman Everett L. Hess, executive vice president, Hays National, will conduct the meeting. Mr. Hess served as a national bank examiner prior to joining Hays National as cashier in 1964. He was promoted to his present post of executive vice president in 1967. He holds a BS in business administration from Kansas State College, Pittsburg.

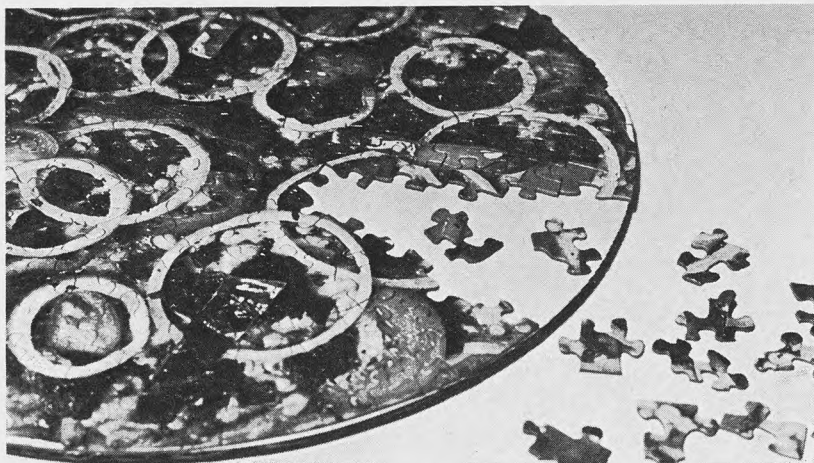
*Group Six*, September 28, Scott Community High School, Scott City. Gene Holloway, vice president, Security State, Scott City, is group chairman and will preside over the meeting.

Mr. Holloway began his banking career in 1947 with Kearny County Bank, Lakin. About a year later, he joined Garden National, Garden City, as assistant cashier. He was named cashier in 1950 and vice president and director in 1959. He resigned in 1963 to accept a position as cashier of Security State. In 1965 he was elected vice president and director of his bank. • •

### Control of Wichita State Sold; Michaelis Elected Chairman

WICHITA—Oliver H. Hughes, chairman, Wichita State, has announced that controlling stock in the bank has been sold to W. A. Michaelis Jr. and William L. Graham, Wichita oil operators. Mr. Michaelis, who will succeed Mr. Hughes as chairman, announced there would be no other personnel changes at the bank.

Mr. Michaelis and Mr. Graham also own control of Stockyards National, Wichita, and Allen County State, Iola.



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HUTCHINSON, KANSAS



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



## Johnson County National Bank Announces Five Promotions

PRAIRIE VILLAGE—Johnson County National has announced several promotions. B. J. Fawl was advanced from vice president to senior vice president. He has been with the bank's loan department since 1955. Elected a senior vice president of Johnson County Bankshares, Inc., was Ronald G. Middleton. He heads the mortgage banking department.

Other promotions included: Mrs. Betty J. Cline, from assistant vice president to vice president; Mrs. Mary B. Long, from assistant cashier to assistant vice president; and Donald W. Trotter to assistant trust investment officer.

## Financial Situation

(Continued from page 16)

by the farmer. This information consists of total acres, acres in cultivation, acres in pastures and the total value. Another section shows the holder of the mortgage, amount due annually, the amount and the date of the past due interest or installment and the total balance due. In addition, we show each chattel mortgage that the farmer has on record. This information shows to whom due, how secured, the amount due in the current year, the to-date total, the balance due and the total amount due.

The third form is a field report that gives information about the man, his family, the land that he owns or rents, the type of farm, the crops he grows, his equipment, labor and information about his character and operation. We also list the man's equipment on the back of this form and show the value of this equipment. All equipment unencumbered and free of debt is listed in one column. On all mortgaged equipment we put a value and show the amount of the lien. This gives us an actual picture of the equity the farmer has in his equipment.

The fourth form is an offering sheet we make up after we complete the other three forms. This offering sheet shows the purpose of the loan, the amount of money borrowed, equipment loans and the estimated amount of income the farmer will make from his crops. We actually show the kind of crop, the acreage, the average yield per acre based on his three-year average and value per unit. After the income is figured, we divide this into the amount he owes to get the percentage of liquidating security. This shows what percent the amount due is of the estimated value of his liquidating security.

MID-CONTINENT BANKER for September, 1971

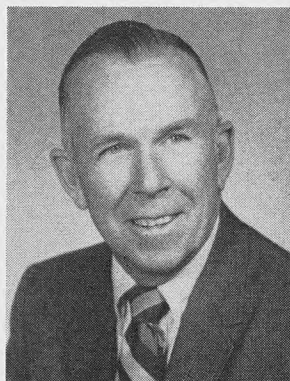
In summary, we look at the man and his financial situation closely. We definitely want to know how much he owes. This includes his crop loan, his loans with the bank, his equipment loans with any other companies or organizations, his land payment, etc. We want to know beyond any doubt his total liabilities in the year that we make the crop loan.

If the amount due is approximately 50% of the liquidating security, we know that this is a good loan. Many of our loans are 70, 80 and 90% of the liquidating security, which means that what he owes for one year is 80% of his total crop income.

I know that many readers are won-

dering why I have not discussed collateral very much. Of course, collateral is a must in a crop production loan as in real estate loans or others. If the man and his financial condition warrant it, then collateral is secondary. However, if the man is weak, we definitely look at collateral very closely.

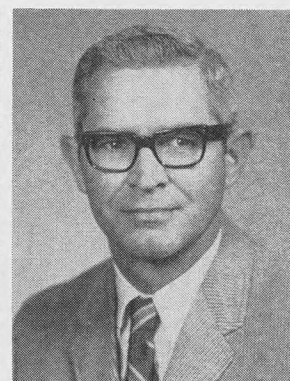
When a man's financial condition is in good shape, we take a lien on his crop and a chattel mortgage on his equipment. If his financial condition is weak, we require additional collateral, such as a second mortgage on land or commercial property. As stated earlier, the keys to a successful production loan are—the man, his land and what he has in hand. • •



BEANIE



JOHN



PHIL

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MEMBER  
F.D.I.C.

# Kansas News

## Security State, Great Bend, Donates \$500 Scholarship

GREAT BEND—Security State has presented its first scholarship to be used in the bank management curriculum at Wichita State University. David G. Sauer, a graduate of Barton County Community Junior College, is recipient of the scholarship and will enroll this fall.

The scholarship is for \$500 for the junior year at Wichita State and will be renewed for the senior year upon satisfactory completion of junior year studies.



David Sauer (c.) recently was presented a scholarship in bank management at Wichita State University by Security State, Great Bend. Presenting a check for \$500 are Cecil Burton (l.), ch., and J. A. Mermis Jr., pres.

■ COMMERCIAL NATIONAL, Kansas City, has appointed Marvin J. Schmidtberger trust operations officer and C. Craig Sherrill commercial data center operations officer. Mr. Schmidtberger, who has been with the bank since 1957, will head the trust department. Mr. Sherrill has been with the bank since 1968.

■ ROELAND PARK STATE, Shawnee Mission, has elected Patrick Purcell assistant cashier with responsibility for the bookkeeping department. He joined the bank in 1969 as a teller trainee and was promoted to supervisor of bookkeeping last year.

■ CENTENNIAL STATE, Mission, has advanced Claude E. Cliborn from assistant vice president to vice president. He has been with the bank since 1968.

■ DEAN D. HADDOCK has been elected president of Guaranty State, Beloit. He succeeds the late Henry Heidrick.

■ JOSEPH L. NEWBY was elected a loan officer at First State, Thayer. Before joining the bank, he was director of accounting with Studio Broadcasting System, Topeka.

## Kansas Banks' 1971 Figures Show Increase over 1970

Carl O'Leary, state bank commissioner, has compiled a comparison of the growth of the state banking system over the period of June 30, 1970, to June 30, 1971.

Figures of 431 state banks and two trust companies reflected an increase in resources of \$351.3 million for a total of \$2,928,400,000.

Deposits increased \$312.5 million for a total of \$2,586,700,000 and loans increased \$113.6 million for a total of \$1,364,900,000. Total capital accounts increased \$25.3 million for a total of \$265.5 million.

## Bank Uses Mobile Billboard



Twin Lakes State, Wichita, introduced the opening of its new "Mini Bank" in a novel way. The bank parked a mobile billboard on its front lawn reading "Dash-In Dash-Out Mini Bank."

## Bank Opens Drive-Up Facility



Miami County National, Paola, recently opened its new motor bank and expanded offices. The motor bank has two auto drive-up lanes and a walk-up window. Additions to the Main Office include enlarged quarters for the real estate, trust and installment loan departments and a display hall.

■ HOME STATE, Clearwater, has elected William A. Altman president. He succeeds Sherley Stewart, president since 1965, who has resigned. E. Lawrence Wulfmeyer was elected chairman and Mrs. Madeline McMillen was named cashier.

## Fourth National of Wichita Buys Downtown Property

WICHITA—Fourth National has announced acquisition of a 90,000-square-foot site in the downtown area. The bank is now having architectural and engineering studies of the site made concerning long-range building objectives. Final clearing of the location is expected to be completed early in 1972.

■ CITIZENS NATIONAL, Minneapolis, recently held the grand opening of its new motor bank. The new facility provides customers extended hours and Saturday banking.

■ HOME STATE, Erie, has increased its capital from \$50,000 to \$100,000 through a stock dividend.

## Kansas Deaths

CHET CHRISTENSEN, 59, director, First National, Mount Hope.

WALTER A. RUGAN, director, Peoples State, Ellinwood, of a heart attack.



JIM BIRKBECK  
Vice President

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BOB NILL  
Asst. Vice President



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MID-CONTINENT BANKER for September, 1971

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we build you won't end up looking like anybody else's  
unless you want it to. And we'll handle all the details.  
All the way to helping you select the carpeting and drapes.

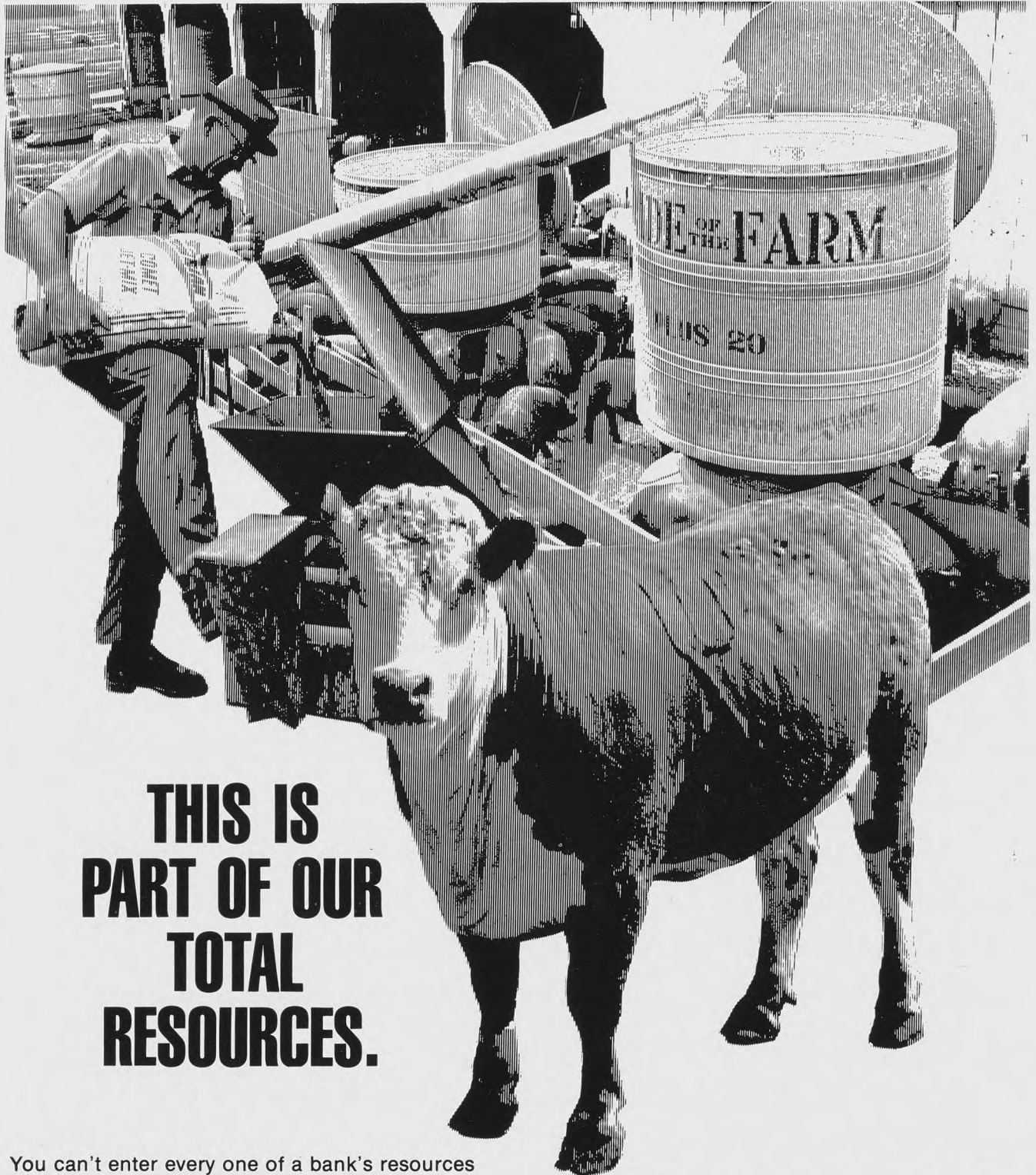
So if you've noticed that your building isn't all  
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Your bank should get old. But it should do it in an  
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business. As the agribusiness has changed and grown more complex, our agricultural experts have grown to meet new challenges.

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MONSALVATGE



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GACH



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## Remaining Missouri Groups To Hold Annual Meetings

AS THIS ISSUE is mailed, the first three Missouri Bankers Association group meetings are being held. Program highlights were reported in the August issue.

Beginning September 20, the last four group meetings will be conducted in Kirksville, Chillicothe, St. Joseph and Kansas City.

Featured speaker at each meeting this year is Ray Monsalvatge, a psychologist who gives up to 300 speeches annually. A biography of Mr. Monsalvatge also appears in the August issue.

Following is a preview of the programs for the final segment of MBA group meetings:

*Group One* will meet on September 20 at Kirksville. Registration begins at 5 p.m., followed by a social hour at 6 p.m., both at the Rigler Armory. Dinner will be served at 7 p.m. at the student union of Northeast Missouri State College, located less than two blocks from the armory.

The meeting will be conducted by Frank Kelso, group chairman, who is vice president, Hannibal National. Mr. Kelso has been in banking for 25 years and also serves his bank as a director and assistant trust officer.

*Group Two* will meet September 21 at the Hotel Strand, Chillicothe. Reg-

istration will begin at 4:45 p.m., followed by a social hour at 5:30 and a buffet dinner at 6:30. The business session will begin at 7:30 and will be conducted by Group Chairman N. L. Snyder, president, Hamilton Bank.

Mr. Snyder has been with his bank since 1946. He became an officer in 1948, was elected cashier in 1951 and president in 1967. He has served as a director since 1951 and is a graduate

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### Remaining Group Meetings

- Sept. 20—Group 1—Kirksville
  - Sept. 21—Group 2—Chillicothe
  - Sept. 22—Group 3—St. Joseph
  - Sept. 23—Group 4—Kansas City
- 

of the Graduate School of Banking at the University of Wisconsin.

*Group Three* will hold its meeting on September 22 at the Hotel Robidoux in St. Joseph. Registration will begin at 10 a.m. and a luncheon for men will begin at 12:30 p.m. The afternoon session will convene at 1:30 p.m. At 2 p.m. H. Duane Pemberton, commissioner of finance, State of Missouri, will discuss "Directors, Too Much or Too Little." A livestock panel will be held

at 2:45 p.m. and a report on recent developments on the regulation of bank holding companies and the taxation thereof will take place at 3:30 p.m.

The evening session begins with dinner at 6:30 p.m. and will include a brief business session.

John F. Gach, group chairman, will preside. He is assistant vice president-agriculture at First National, St. Joseph. He joined the bank in 1967 following graduation from Northwest Missouri State College. He serves in the bank's agricultural and correspondent departments.

*Group Four* will hold its annual meeting on September 23 at the Hotel Muehlebach, Kansas City. Registration will begin at 3:30 p.m. with a business meeting coming to order at 4:30 p.m. A social hour will begin at 6 p.m., followed by the banquet at 7 p.m.

Group Chairman is Carl B. Abbott, executive vice president and cashier, Garden City Bank. Mr. Abbott began his banking career in 1943 with Citizens Bank, Winigan. He rose to the post of cashier before joining his present bank in 1954 as cashier.

MBA President Larry E. Lumpe, executive vice president, State Bank, Poplar Bluff, will speak briefly at all group meetings. • •

# Missouri News

## John W. Minton III Named To Correspondent Post

ST. LOUIS—John W. Minton III has joined the correspondent bank department of Bank of St. Louis. He formerly was with Bank of Cahokia, Ill.

Mr. Minton is a third-generation banker, joining his father, Jack W. Minton, who is president and chief executive officer of Bank of St. Louis and its parent organization, General Bancshares Corp. Mr. Minton's grandfather, John W. Minton, was well known as a correspondent banker in Missouri and Illinois during the '30s and '40s.



MINTON

## Grellner Elected Senior VP

CLAYTON—St. Louis County National has promoted Raymond N. Grellner from vice president to senior vice president. He is in charge of bank operations.

In other action, Gerald P. Fagin was elected data processing officer. He has been with the bank since 1963.

■ MARIO M. GAIA has been elected executive vice president of Pioneer Bank, Maplewood. Formerly, he was vice president at Mark Twain South County Bank, St. Louis County.

■ NATIONAL BANK OF BOONVILLE has elected Garth Clinkscales chairman and Thomas J. Miller president and chief executive officer. R. L. Stoecklein was advanced from vice president to senior vice president and Curtis J. Sprick was promoted from vice president to vice president and cashier.

## Robert E. Allen Dies; Former MBA President

Robert E. Allen, 60, died recently of a heart attack. He was a past president of the Missouri Bankers Association and former president of Perry State Bank.

Mr. Allen joined the bank in 1940 and was elected president and a director in 1941. He was with Perry State until 1968, when he sold his interest in the bank.

■ LLOYD E. SHEPARD was advanced to assistant cashier and William G. Buckner to assistant trust officer at Farmers Savings Bank, Marshall. Mr. Shepard joined the bank a year ago and Mr. Buckner last April.

## Crystal City State Honors Pres.



Warren W. Bradley (l.), pres., Crystal City State, recently was honored at a surprise party celebrating his 50th anniversary with the bank. With him are: (from l.) his wife, Mrs. Sue Bradley; his son, Bill Bradley, a member of the New York Knickerbockers basketball team; Mrs. Clarence C. Barksdale; and Mr. Barksdale, pres., First National, St. Louis, and v.p., First Union, Inc. Crystal City State is a member of the First Union group.

■ FIRST CITY BANK, Springfield, has elected Quentin R. Satterfield vice president and cashier. He has been associated with Empire Bank and St. James Bank.

## National Bank of Boonville Begins Major Remodeling Program

BOONVILLE—National Bank of Boonville recently celebrated its 25th anniversary by beginning a major remodeling program of the bank building.

The second story of the building will be converted into additional office and storage space and will have a large area, to be used later as a community room. A walk-up window, new offices and conference and waiting rooms will be added to the main banking area.

## Commerce Bancshares Plans to Open New Bank In Downtown St. Louis

ST. LOUIS—Commerce Bancshares, Kansas City-based multi-bank holding company, has announced plans to organize a new bank in downtown St. Louis. Applications for the new Commerce Bank of St. Louis now are being filed with the Comptroller of the Currency and the Fed.

The holding company plans to open the bank next spring with a capital structure of \$5 million. Several officers of Commerce Bancshares and its affiliates will be organizing directors. Among these will be James M. Kemper Jr., chairman and president of the holding company, and Harry L. Wuerth, who recently retired as vice chairman and chief credit officer, Commerce Bank of Kansas City.

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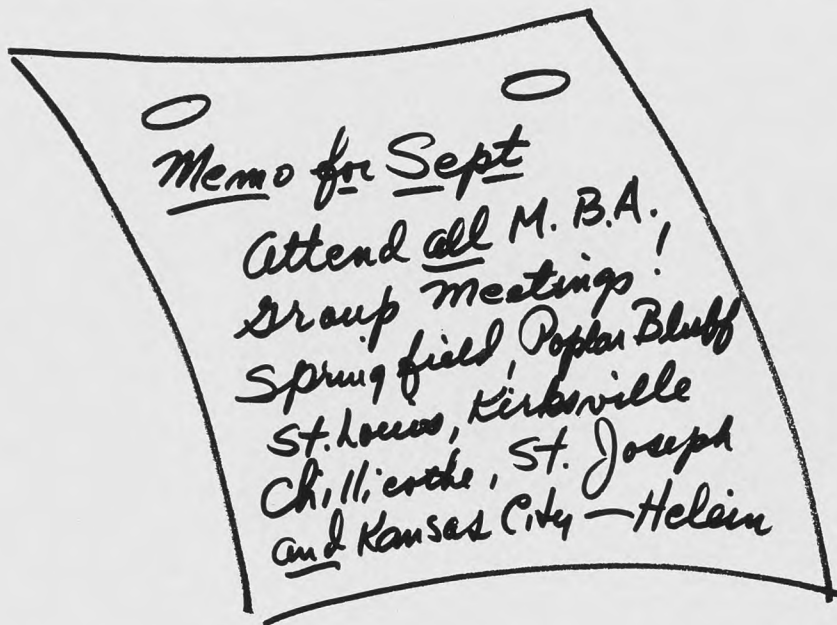


Bank Building Corporation



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This month, we'll have an opportunity to visit with Missouri bankers during their various Group Meetings. These visits give us an excellent opportunity "to talk insurance."

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## St. Louis AIB Kicks Off Enrollment Drive



The St. Louis AIB Chapter kicked off its fall enrollment drive last month with a special dinner and speech by the national AIB president, Charles F. Lucien (3rd from r.), who is vice president of Hibernia Nat'l, New Orleans. He is pictured above with St. Louis AIB officers. From the left: Edward R. Schott, Federal Reserve Bank; George T. Guernsey, Manchester Bank; Edmund L. Vorhes, Manufacturers Bank; Mrs. Rosemarie Mowe, Edgemont Bank (East St. Louis, Ill.); Mr. Lucien; Chapter President Lester A. Greene, 1st Nat'l, Clayton; and Joseph G. Steele, AIB executive director. The St. Louis Chapter has set as its 1971-72 goals: 2,850 members and 1,700 class enrollments.

### Three Receive Promotions At First Nat'l, St. Louis

ST. LOUIS—First National recently made three promotions. Wayne D. Muskopf, personnel officer, and William F. Shine, loan officer, were named assistant vice presidents. Leonard J. Suess, senior teller in the international department, was advanced to international banking officer.

Mr. Muskopf joined First National as supervisor of training in the personnel department in 1968. Mr. Shine came to the bank in 1942, was elected assistant cashier in 1961, loan officer in 1967 and currently is credit review

officer in the correspondent banking department. Mr. Suess has been with the bank since 1966.

■ GAYLORD L. THOMAS has joined Laurel Bank, Raytown, as assistant vice president. He will be engaged in both lending and business development activities. Previously, Mr. Thomas had been with Universal CIT Corp. for 17 years and had been area supervisor for the Kansas City division since 1968.

■ GATEWAY NATIONAL, St. Louis, has elected Herbert D. Bentley to its board. He is president of Professional Account Service, Inc.

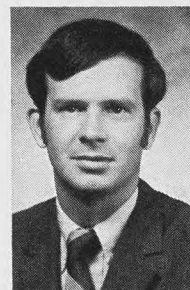
## New National Bank Proposed For North St. Louis County

ST. LOUIS—Boatmen's Bancshares, Inc., multi-bank holding company that owns Boatmen's National Bank of St. Louis, has filed an application for a new bank to be located in north St. Louis County. The application for the new bank, to be known as Boatmen's National Bank of North St. Louis County, was accepted for filing August 16 by the regional administrator of national banks for the 10th Region in Kansas City.

Proposed location is in the vicinity of Lewis and Clark Boulevard (Highway 67 North) and Parker Road. Initial capitalization would be \$1 million, consisting of \$500,000 in capital, \$300,000 in surplus and \$200,000 in undivided profits.

Proposed organizers and directors are: David H. Morey, chairman, Boatmen's Bancshares; Ethan A. H. Shepley Jr., president of the holding company; Donald N. Brandin, president, Boatmen's National Bank; H. Parker Smith, senior vice president of the bank; and Phillip N. McCarty, vice president of the HC.

### Commerce Bank, St. Charles, Elects Carpenter Vice Pres.



CARPENTER

ST. CHARLES—Commerce Bank has appointed William A. Carpenter vice president in the commercial loan and business development areas.

Mr. Carpenter had been assistant to the regional vice president of Commerce Bancshares, Inc., and has served as assistant vice president of Commerce Bank of University City and cashier of Commerce Bank of Bonne Terre. Earlier in his career, he was an assistant examiner with the FDIC.

### Bank of Jacomo Opens Building



Bank of Jacomo, Blue Springs, recently held the grand opening of its new building. The \$298,000 building has three levels and contains 12,000 square feet. Its exterior is of colonial creole architecture.

## NEW MADRID, MISSOURI

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GEORGE D. BOCK ..... Vice-President	PATSY S. TISHER..... Assistant V. P.
LAWRENCE H. ROST ... Vice-President	ANNA LEE HAYES..... Assistant V. P.
	CLETA DUNCAN..... Assistant Cashier

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VINCENT H. ROST		JOSEPH E. McCRATE

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## BANK OF NEW MADRID

NEW MADRID, MISSOURI

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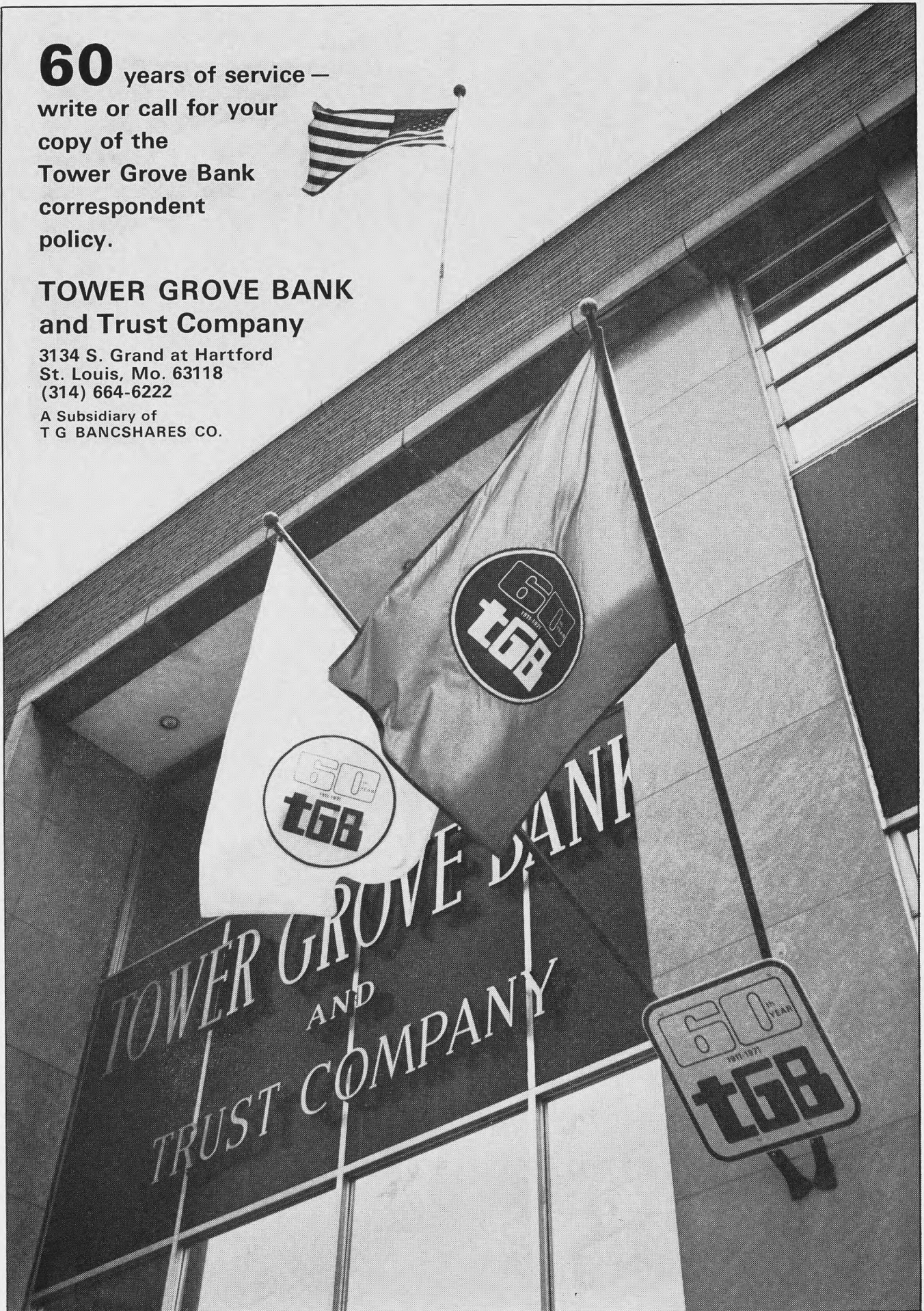


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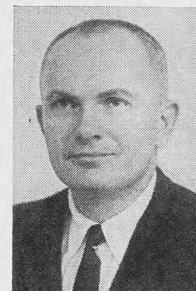
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**Kansas City, Missouri**

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**Sam E. Overfelt Resigns  
As MBA General Counsel**

Sam E. Overfelt has resigned as general counsel of the Missouri Bankers Association, a position he had held since March 1, 1970. He is now executive vice president of the Missouri Retailers Association.



**OVERFELT**

Mr. Overfelt received a law degree from Kansas City University in 1956. He has been associated with two law firms and with American Oil Co. since 1968.

Included in his many state activities, Mr. Overfelt was administrative assistant and legal adviser to the governor of Missouri from 1962-1963, executive director of the Missouri Oil Council, attorney for the Missouri Railroad Committee and chief counsel of the Division of Insurance.

■ **A. EARL HORSTMAN** has joined Bank of Ferguson as vice president, consumer lending. He formerly was vice president of Arnold Savings Bank and has been in banking 23 years.

■ **MERCANTILE TRUST**, St. Louis, promoted Andrew N. Baur to assistant vice president, Richard E. Drummond to assistant trust officer and Gerald Boling to assistant operations officer.

■ **LARRY L. BEACH** has joined Springfield National as assistant cashier in the installment and commercial lending departments. He previously was with an accounting firm.

■ **MISSOURI STATE**, St. Louis, has named Douglas M. Griffith auditor. He joined the bank when it opened in 1967 and previously was assistant cashier.

■ **TOWER GROVE BANK**, St. Louis, has elected John R. Treacy installment loan officer and Mrs. Billie Gaudette operations officer. Mr. Treacy, who has 15 years' experience in the credit field, joined the bank last December. Mrs. Gaudette has been with the installment loan department 14 years.

■ **M. P. CANGE**, formerly president of Clayton Bank, has been elected vice chairman. Thomas J. Igoe, formerly senior vice president, was named to succeed Mr. Cange as president.

**Missouri Death**

**FRANK C. MANN**, 82, director, Southern Missouri Trust, Springfield.



**Rowland & Co. Announces  
Three New Appointments**

Rowland & Co., investment broker firm headquartered in St. Louis, has announced three new appointments in its Kansas City office. Jon G. Symon and Jack R. Martin were named co-managers and Arthur A. Hassenflu Jr. was elected regional mutual fund manager. The Kansas City office recently was relocated in new and expanded quarters.



MARTIN      HASSENFLU      SYMON

Mr. Symon has served as a negotiator in the labor relations field and as a financial analyst for several business concerns. Mr. Martin has been in the investment securities business in Kansas City since 1967 and Mr. Hassenflu since 1955.

**Mercantile-Commerce Trust  
Seeks Approval for Facility**

ST. LOUIS — Mercantile-Commerce Trust has filed an application with the Commissioner of Finance seeking permission to construct a drive-in, walk-up facility at the intersection of Oakland and Macklind avenues.

If approved, construction of the new facility will begin around the first of the year and is expected to be completed in about six months. The facility will have inside tellers and six drive-up windows.

**Arnold Bank in HC**

Missouri Bancshares, Inc., Kansas City-based registered bank holding company, has completed the acquisition of the Arnold Savings Bank, located in the St. Louis metropolitan area.

■ JOHN R. ECKRICH was elected a director of Chippewa Trust, St. Louis. He is president of Lutheran Charities Association.

■ H. E. DICKERSON recently was elected cashier of Platte Woods Bank. He formerly was assistant vice president of Laurel Bank, Raytown.

■ SOUTHWEST BANK, St. Louis, has advanced William A. Nardoni from assistant cashier to assistant vice president. Mr. Nardoni, who joined the bank in 1962, is in charge of installment loan department dealer relations.

MID-CONTINENT BANKER for September, 1971

1971  
1926  

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45 Years

For 45 years St. Johns Community Bank has been serving the St. John community . . . helping it grow. And the St. John community has been helping the bank grow.

Today neither St. John nor the St. Johns Community Bank is localized. The "community" is reaching out farther all the time. And so is the bank . . . into other "communities" in the metropolitan area.

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FLETCHER E. WELLS	Vice President and Cashier
HUBERT V. KRIEGER	Auditor and Comptroller
JACK K. ISHERWOOD	Assistant Vice President
JERRY L. BYRD	Assistant Vice President
EARL D. PEPPERS	Assistant Vice President
EARL R. LUNDIUS	Assistant Vice President
LEONARD W. HUDDLESTON	Assistant Vice President
FRED G. FETSCH	Assistant Cashier
VIRGINIA F. HAUSER	Assistant Cashier
WILLIAM O. ROBARDS	Assistant Cashier
CHARLES C. SMITH	Assistant Cashier
MARIE WELLINGHOFF	Assistant Cashier
WALLACE J. SHEETS	Trust Officer
F. GILBERT BICKEL	Vice President
HARRY C. MUMMERT	Vice President

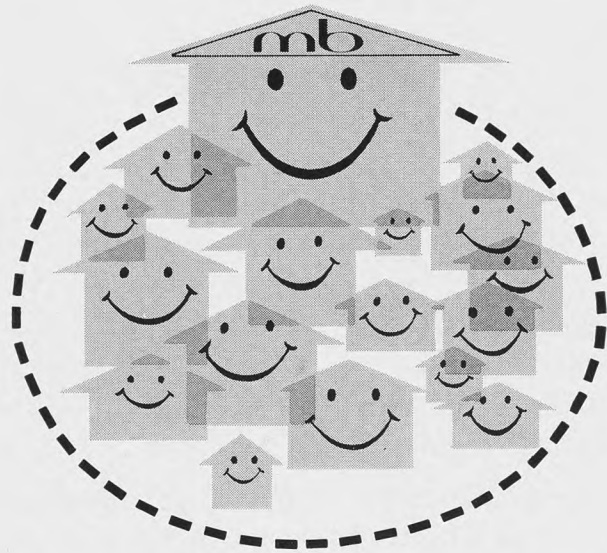
**DIRECTORS**

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JOHN H. ARMBRUSTER
F. GILBERT BICKEL, D.D.S.
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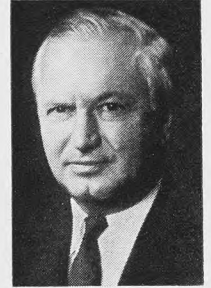
**FDIC**

### Lewis to Succeed Hauck as Head Of Boatmen's Trust Division

ST. LOUIS—Boatmen's National has announced the appointment of Hugh M. F. Lewis, senior vice president, as head of the trust division effective January 1. He succeeds Hugh S. Hauck, senior vice president, who will retire on January 31.



LEWIS



HAUCK

Mr. Lewis joined Boatmen's trust division in 1947 and was elected assistant trust officer in 1951, assistant vice president in 1953 and vice president in 1956. He was named senior vice president last January.

Mr. Hauck has been with the bank since 1929. He was appointed vice president in 1949 and senior vice president and trust officer in 1965.

### Ludwig Is New Vice President At First National, St. Louis

ST. LOUIS—Donald H. Ludwig has joined First National as vice president in charge of the government bond trading division.

Mr. Ludwig began his career as a securities trader in 1945. Before joining First National, he was in charge of government bond trading at Mercantile Trust.



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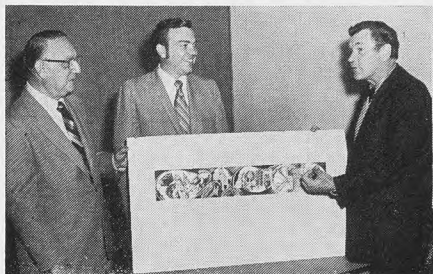
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**City Bank to Have Mural**



Siegfried Reinhardt (r.), St. Louis artist, holds scale-model sketch of his mural to be painted on the banking lobby mezzanine wall of the new City Bank building, now under construction. The finished painting will be 70 feet long and 10 feet high and will depict the origin and history of money. With Mr. Reinhardt are Philip F. Lichtenstein (l.), ch., and Norman J. Tice, pres.

**Empire Bank Changes**

SPRINGFIELD—Etsyl Sparkman has advanced from senior vice president to president of Empire Bank. He succeeded Keith Davis, who has been made president emeritus and chairman of the advisory board. Miss Edith Grier was elected assistant cashier.

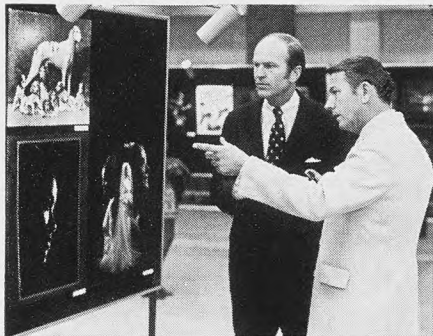
**Boatmen's Bancshares Plans Acquisition of Mortgage Co.**

ST. LOUIS—Boatmen's Bancshares, Inc., has announced plans to acquire Williams, Kurrus & Co., a mortgage banking firm. The acquisition is subject to approval of the Federal Reserve Board and other regulatory authorities.

The company has been in the field of mortgage banking since 1949 and represents several major life insurance companies. A. B. Kurrus is chairman and Clifford M. Kurrus is president.

■ PHILIP D. WILGERS was named vice president of marketing, operations and consumer lending at Arnold Savings Bank.

**First of St. Louis Photo Exhibit**



Clarence C. Barksdale (l.), pres., First National, St. Louis, and Robert G. Hostkoetter, St. Louis representative of the American Society of Photographers, discuss a group of photographs in the society's Master of Photography Exhibit. The bank had the exhibit on display recently as part of its continuing Community Showcase program.

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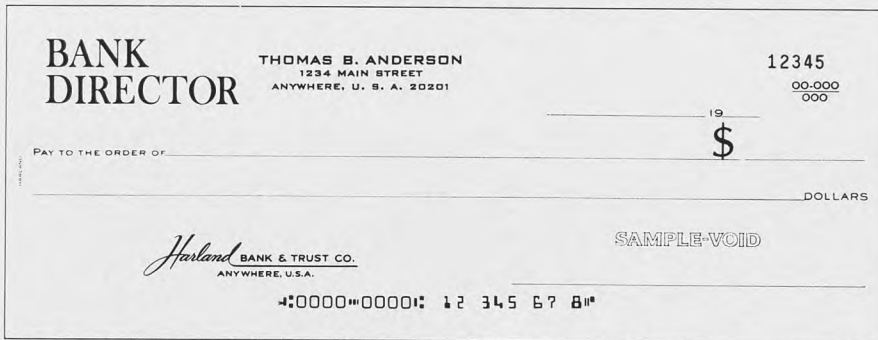
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# Harland Co. Designs Checks for Bank Directors



John H. Harland Co. has designed a new type of check for bank directors. The grey, gold and black checks can be given by banks to directors as a goodwill gesture and can be used as promotional documents in the business community, where they remind businessmen of the director's association with the bank.

## Three Receive Promotions At International City Bank

NEW ORLEANS—International City Bank recently made three promotions. Burrell Leithman was named assistant cashier and head of the savings certificate department. Robert Kaplan and Mike Hackett were promoted to assistant vice presidents of the bank's affiliate, International Computer Bureau.

Named director of the bank and of ICB Corp., the bank's holding company, were Elwood R. Clay and Captain Otto B. Candies. Mr. Clay is partner in a law firm and is former general counsel of ICB Corp. Captain Candies is a marine services operator.

## John Selig Joins Worthen Bank

LITTLE ROCK—John S. Selig has been elected a trust officer of Worthen Bank. Before joining Worthen, he was a partner in a Little Rock law firm. Mr. Selig is a graduate of the University of Arkansas School of Law and has attended New York University Graduate School of Law.

■ GARY (IND.) NATIONAL has begun construction on its new Dunes Auto Branch. The 1,198-square-foot building will have two walk-in windows, three drive-up windows and a night depository.

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## FOR SALE

Two Mosler TV drive-in systems, as is. One is two years old, the other, one year. Both were under service contract at time of removal. \$2,500, or best offer. Write Box 62-M, c/o MID-CONTINENT BANKER, 408 Olive St., St. Louis, Mo. 63102.

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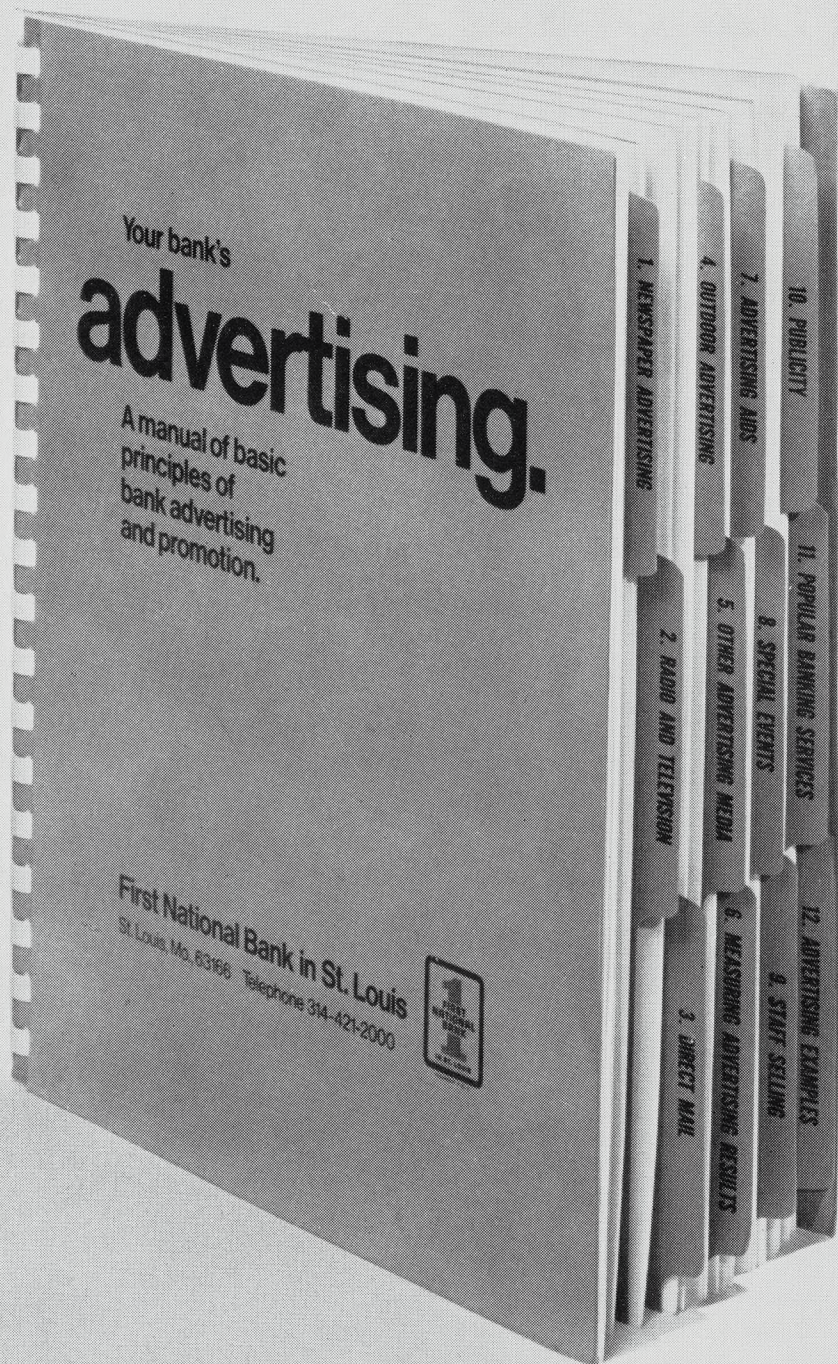
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